

# **Preconference V**

## **Accountable Care Organizations: California Style**

### **National Pay for Performance Summit**

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# Accountable Care Organizations (ACO) Working Definition

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A provider led organization whose mission is to manage the full continuum of care and be accountable for the overall costs and quality of care for a defined population

# Accountable Care Organizations (ACO) Emerging Federal Requirements

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1. Agree to become accountable for the overall care of their Medicare fee-for-service beneficiaries
2. Agree to a minimum three-year participation
3. Have a formal legal structure that would allow the organization to receive and distribute bonuses to participating providers
4. Include a primary care grouping of physicians who care for at least 5,000 Medicare fee-for-service beneficiaries
5. Provide PCP and SCP participation in the ACO
6. Have in place a leadership and management structure with expertise in clinical and administrative systems
7. Defined processes to promote evidence-based medicine, report on quality and cost measures and coordinate care
8. Meet patient-centeredness criteria such as use of patient and caregiver assessments or the use of individualized care plans

# Goals Of Accountable Care Organizations

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- Reduce, or at least, control the growth of health care costs
- Maintain or improve health of a population
- Improve in both clinical quality and patient experience and satisfaction

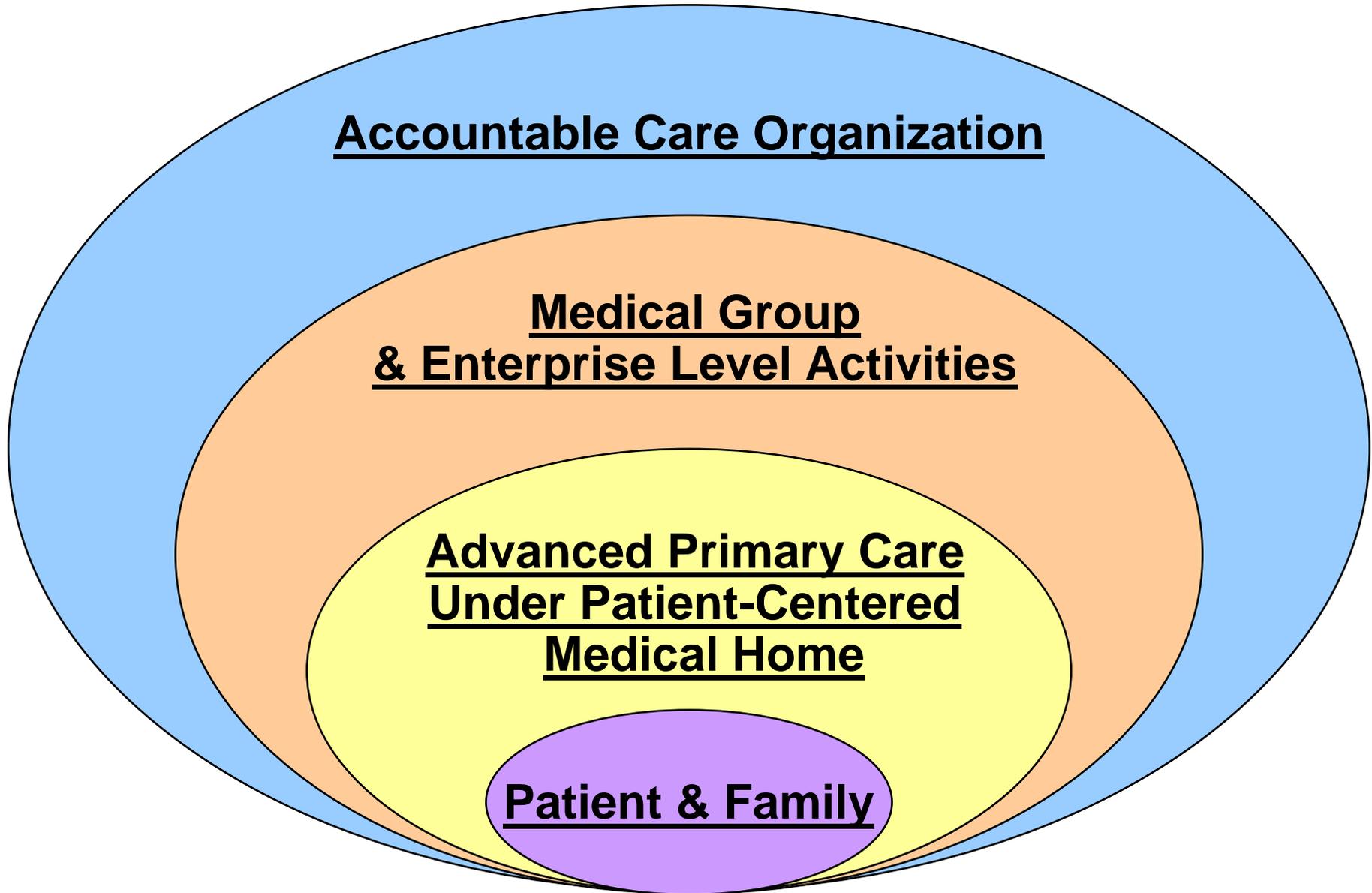
# Opportunities for Improvement

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- Improved prevention and early diagnosis
- Reductions in unnecessary testing, procedures, and referrals
- Reductions in preventable Emergency Department visits and hospitalizations
- Reductions in infections and adverse events in the hospital
- Reductions in preventable readmissions
- Use of lower cost treatments, settings, and providers

# SCMG Care Transformation Model

## Clinical Systems



# SCMG Care Transformation Model

## Clinical Systems

### Patient & Family

- Personal Health Record
- Patient Portal
- Health Risk Assessment
- Patient Engagement & Activation

# SCMG Care Transformation Model

## Clinical Systems

### Advanced Primary Care Under Patient-Centered Medical Home

- Prevention & Wellness
- Point of Care Analytics & Clinical Decision Support
- Gaps in Care
- Population Management & Chronic Care Registries
- Generic Prescribing Program
- Cost Effective Medical Management & Utilization of Services (SCP, Ancillary)
- Access, Same Day Appointments, e-Visits
- Patient Satisfaction & Loyalty
- Provider & Office Staff Satisfaction

Patient & Family

# SCMG Care Transformation Model

## Clinical Systems

### Medical Group & Enterprise Level Activities

- PCP/SCP Incentives
- Pay for Performance
- Hospitalists, Post Discharge Follow-Up
- Care Management (Acute, Chronic, Inpatient, SNF)
- Health Coaching (Shared Decision Making)
- ER Avoidance Programs
- Urgent Care
- End of Life (Palliative Care)
- Transitions of Care
- Behavioral & Mental Health Coordination of Services

Advanced Primary Care  
Under Patient-Centered Medical Home

Patient & Family

# SCMG Care Transformation Model

## Clinical Systems

### Accountable Care Organization

#### DME

- Integration & Oversight by Care Management

#### Ancillary Services

- Free-Standing ASC & Diagnostic Testing Centers

#### Hospitals

- Service Line Integration
- Medical Staff Alignment
- Incentives for Efficiency
- Quality (SCIP, Leap Frog)
- Safety
- Outcomes & Evidence Based Medicine
- Call Coverage

#### Home Care

- Home Safety Visits
- Post Discharge Visits
- Home Health

#### Skilled Nursing Facilities

- SNFists
- On-site Case Management
- Efficiency Rating Systems “Preferred Facilities”

#### Hospice

- Home Palliative Care

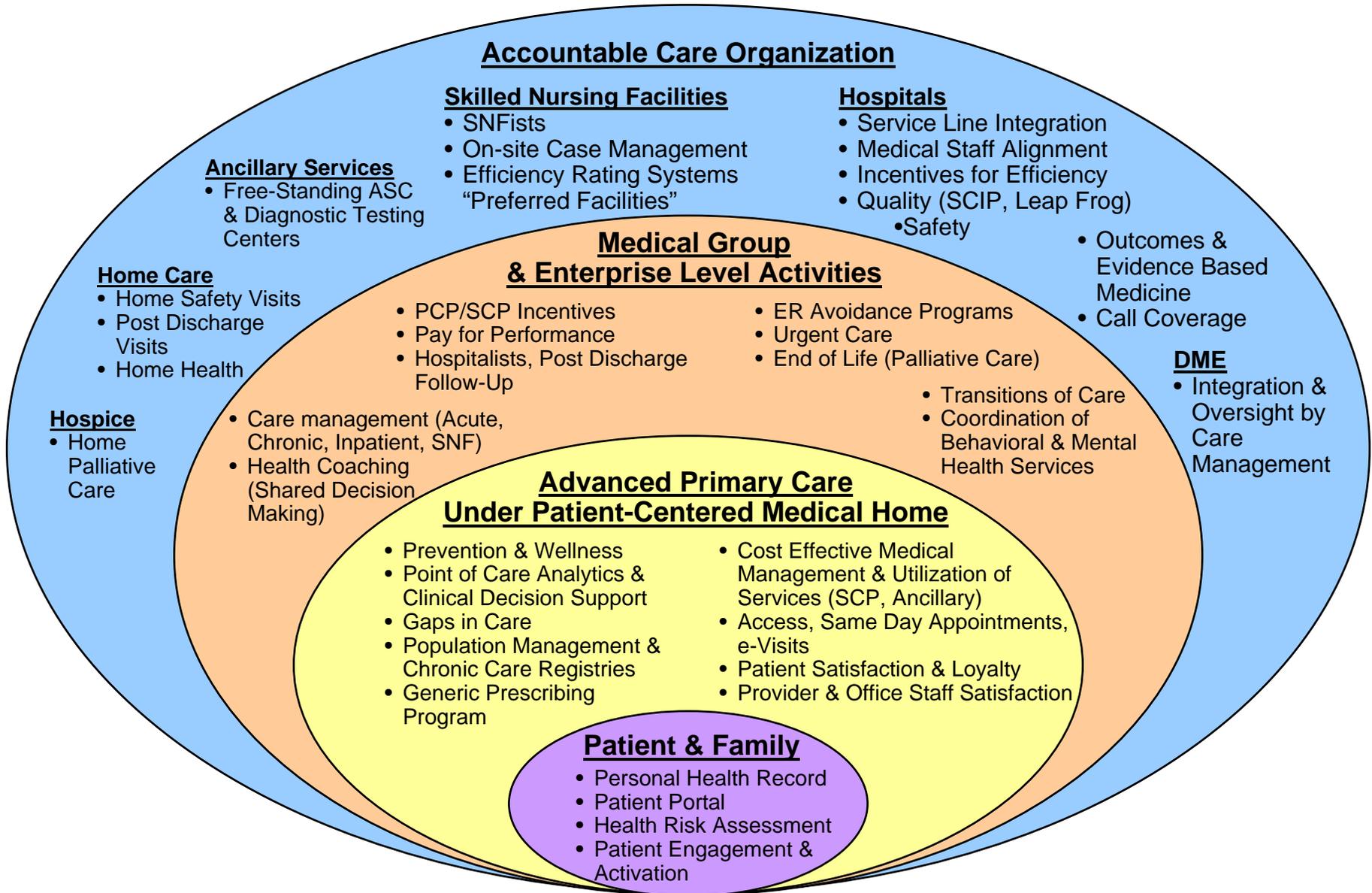
Medical Group & Health Care System  
Enterprise Level Activities

Advanced Primary Care  
Under Patient-Centered Medical Home

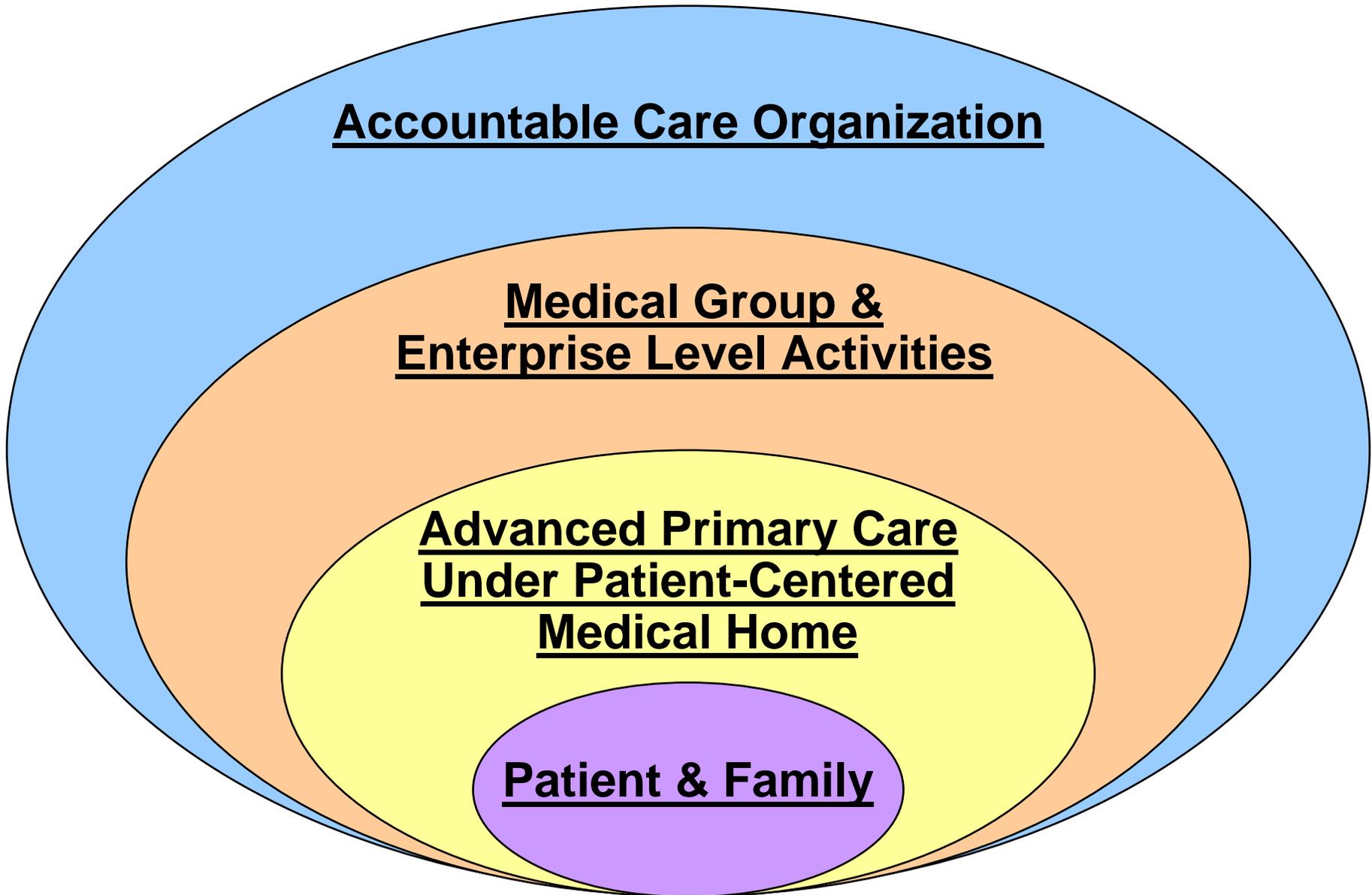
Patient & Family

# SCMG Care Transformation Model

## Clinical Systems



# SCMG Care Transformation Model Operational Systems and Structure



# SCMG Care Transformation Model Operational Systems and Structure

## Patient & Family

- Value Based Benefit Design
- Benefit and Product to Steer Patients
- Enrollment in Model (Attribution)
- Communication Strategy

# SCMG Care Transformation Model Operational Systems and Structure

## Advanced Primary Care Under Patient-Centered Medical Home

- Work Flow Redesign & Process Changes
- Education of Staff, PCPs, Team
- Measurement Sets, Dashboards
- Point of Care Analytics
- Job Descriptions for Additional Staffing
- Adequate Primary Care Base
- Financial Modeling

Patient & Family

# SCMG Care Transformation Model

## Operational Systems and Structure

### Medical Group & Enterprise Level Activities

- Network Development
- Contracts (PCP/SCP)
- Participation Criteria, Report Cards, Monitoring & Corrective Action Plans
- Health Care Team Education
- Financial Incentives
- Measurement Sets & Operational Tools
- Clinical Support Infrastructure for Care Management Teams & Programs
- IT Infrastructure (EHR, Care Management Platform Analytics – Clinical Decision Support, E-Prescribing, Predictive Modeling Tools)

Advanced Primary Care Under Patient-Centered Medical Home

Patient & Family

# SCMG Care Transformation Model

## Operational Systems and Structure

### Accountable Care Organization

- Medical Group – Hospital “Systemness” & Network Development
- Contracting (Evaluate Ancillary Services; SNFs, Home Care)
- Facility Evaluation (ASCs)
- “Sales” & Marketing
- Strategic Planning
- Governance & Legal Structure
- Financial Incentives & Alignment (Shared Savings, Bundled Payments, Partial Cap, Full Cap)
- Measurement Sets & Targets
- Health Plan Role for Incentives, Payment Models and Data Exchange

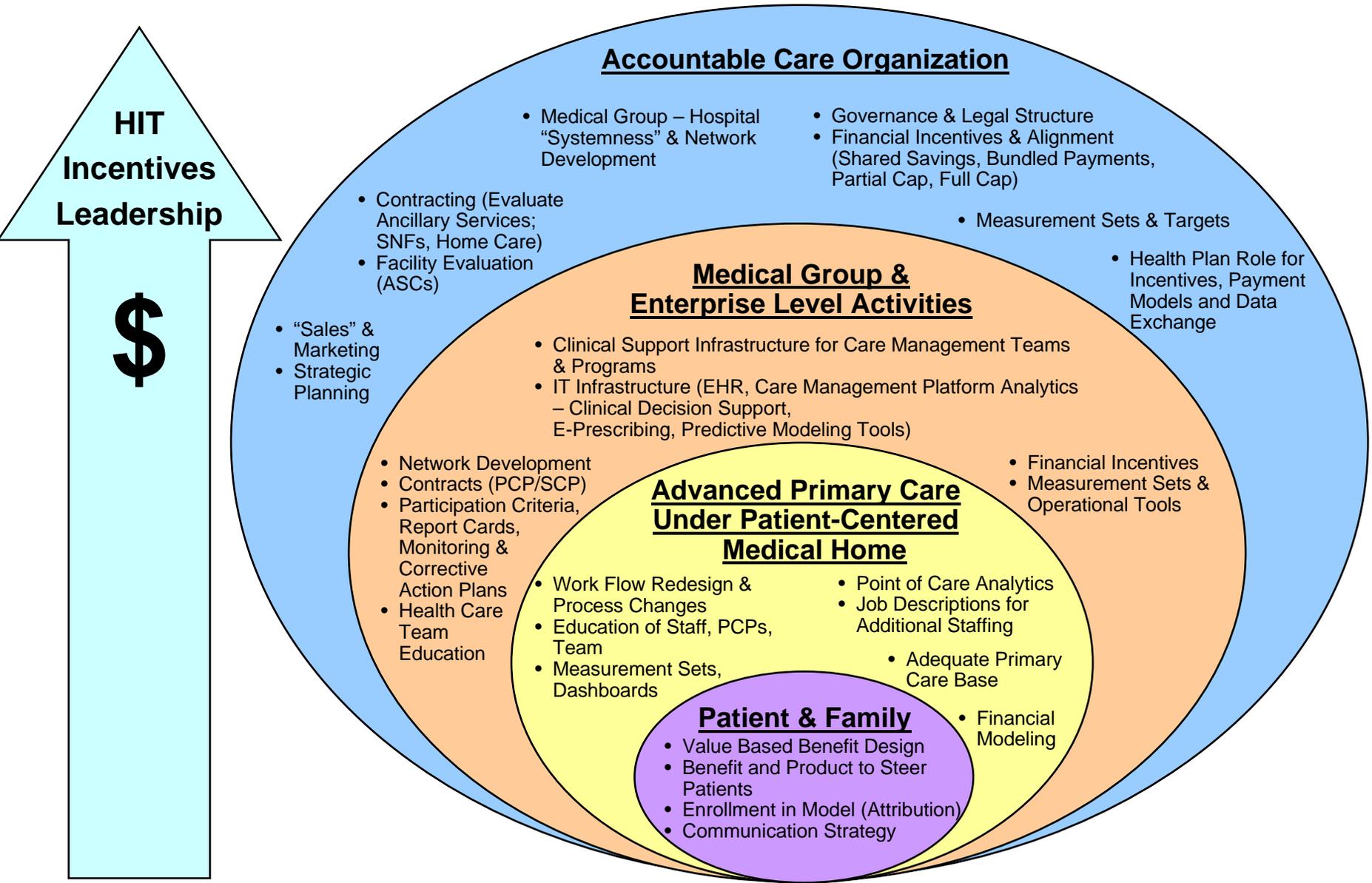
#### Medical Group & Enterprise Level Activities

#### Advanced Primary Care Under Patient-Centered Medical Home

#### Patient & Family

# SCMG Care Transformation Model

## Operational Systems and Structure



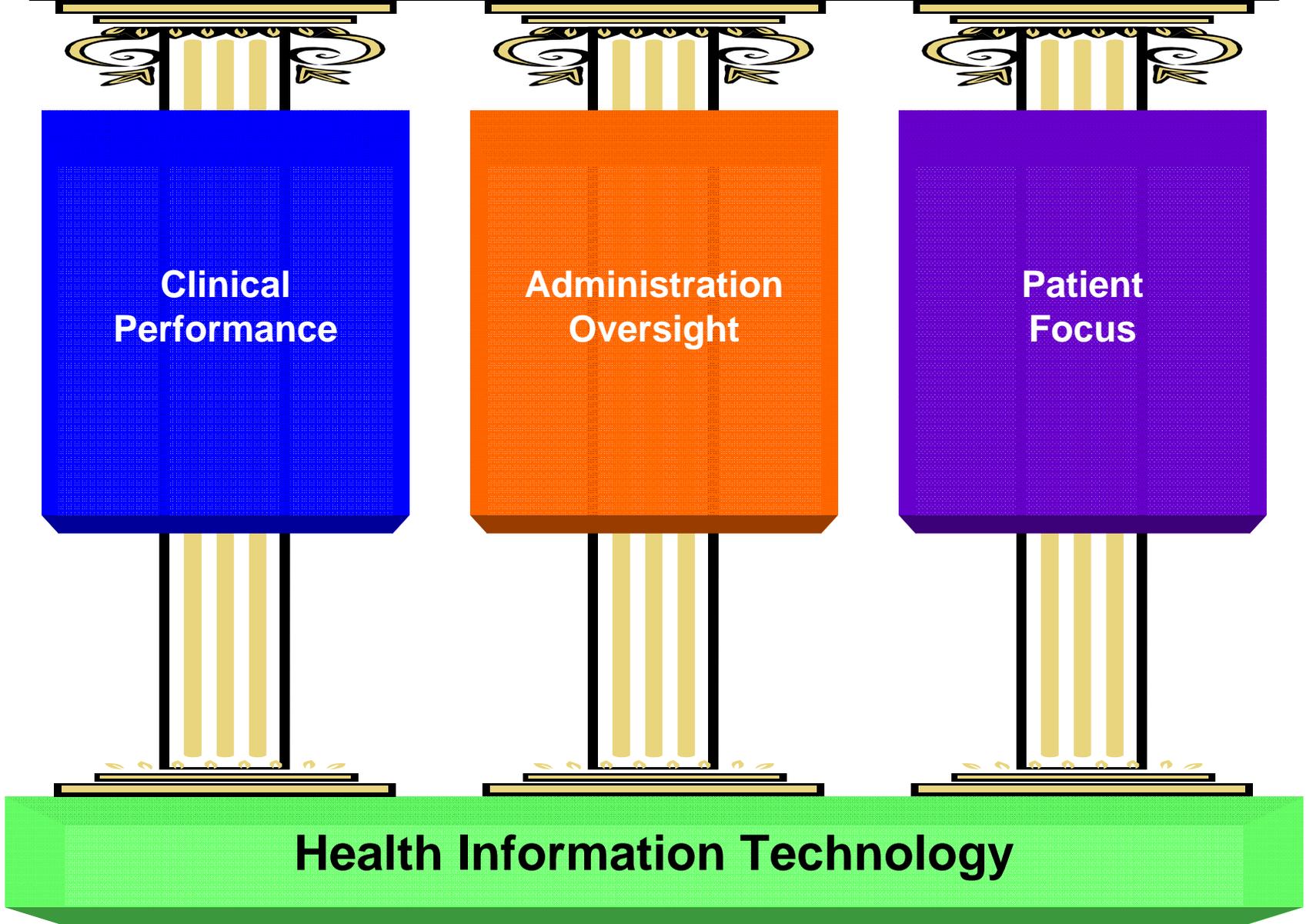
# Accountable Care Organizations

**Clinical  
Performance**

**Administration  
Oversight**

**Patient  
Focus**

**Health Information Technology**



# I. Attribution Methodology

A. Assigning the patient population

B. Patient level

1. PCP/medical specialty/surgical specialty visit only/no visits
2. Dependents, family members

C. Episodes of care

1. Cost driven for overall attribution or to assign episode
2. Plurality of ETGs to group

D. Enrollment/disenrollment/patient identification

## II. Data Exchange

- A. Baseline historical
- B. Timely, complete, transparency
- C. Common format
- D. Eligibility

# III. Measurement Sets

## A. Reimbursement measurement sets

(contracted)

1. Group/hospital/pharmacy
2. Total cost of care, quality, efficiency
3. Risk adjustment
4. Who reports? How verified?

## B. Internal operational metrics

1. Real time (hospital, ED)
2. Sophistication of ACO
3. Actionable and focused

## C. Future opportunities

1. Predictive modeling
2. Episodes of care (profiling)
3. Progressive refinement

# IV. Clinical Programs

A. Plans un-winding or collaborative approach?

B. Considerations for “delegation”

1. Pre-certification and service review
2. Case management
3. Disease (population) management
4. Shared decision support
5. Out-of-area, out-of-network
6. Pharmacy

# V. Payment Mechanisms (plan to provider)

A. Fee-for-service

B. PMPM

C. Shared savings

1. No dollars to invest and reward
2. No innovation – pays for “wrong” services
3. Decrease over time (re-set of baseline)

D. Capitation

1. Integrated delivery system: strong physician  hospital partnerships
2. Well managed provider group (outstanding hospital management)

## V. Payment Mechanisms (provider organizations to individual physicians and hospital systems)

- A. Baseline fee-for-service, IPAs back-up independent contracts
- B. PMPM for care coordination, best through group
- C. Performance based incentives and bonuses
- D. IDS – ultimate goal of “across all lines” efficiencies and incentives, paying for empty beds

# VI. Contracting

## A. Plan with individual physicians

1. Patient-Centered Medical Home
2. IPA baseline

## B. Plan with provider group

## C. Provider group with individual physicians

1. Opportunity to “tighten” participation criteria, set expectations and advance disciplinary action and termination

## D. Plan with hospitals and ancillary services

## E. Plan with integrated delivery system

# VII. Patient Engagement/Loyalty and Product Design

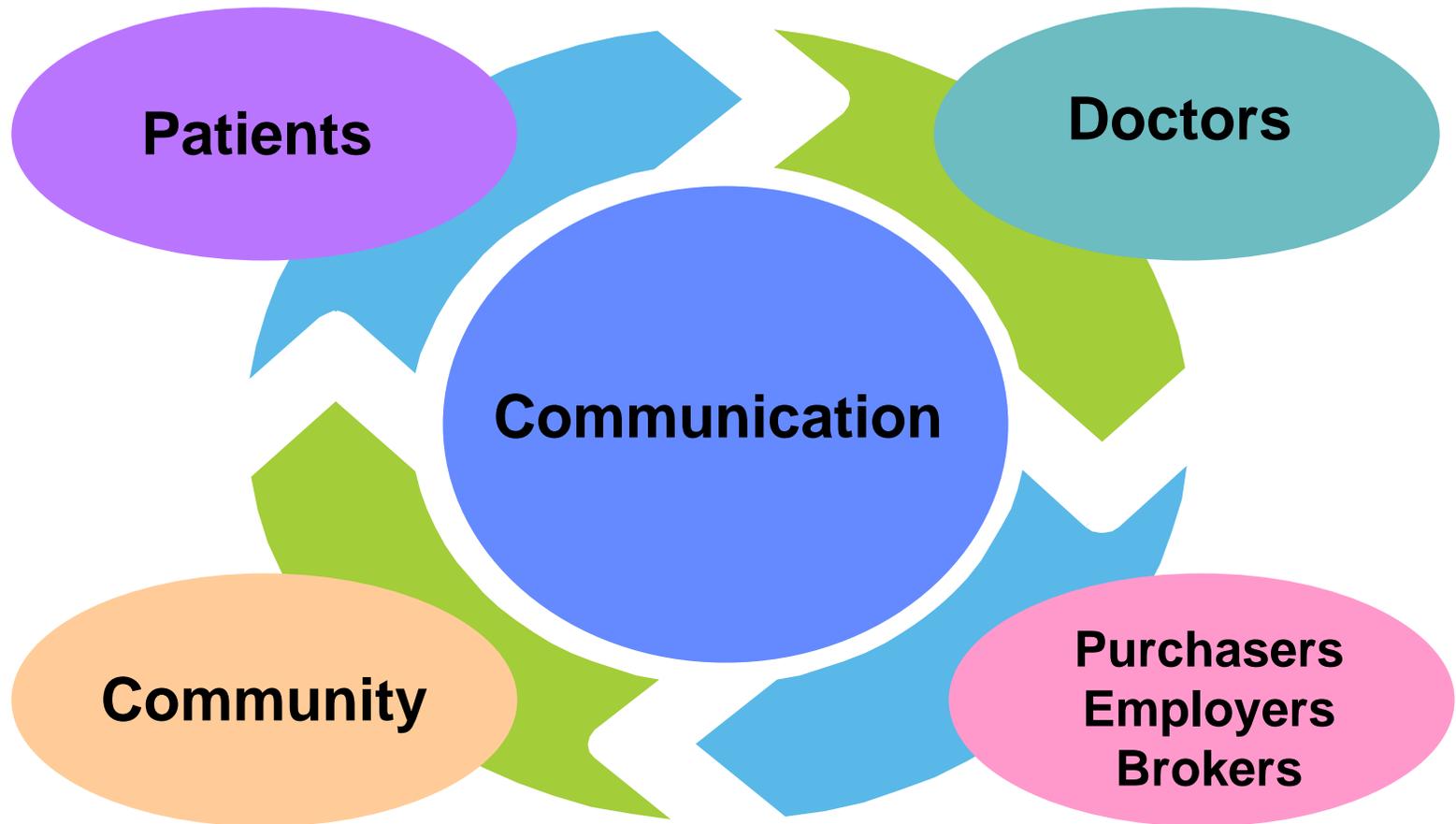
## A. Value for patients

1. Coordination of services
2. Patient navigators – wellness, chronic care
3. Access
4. Personal Health Record (PHR)

## B. Value for plan and providers

1. Product design
2. Value-based incentives
3. Financial “steerage”, concentric model, tiering, patient contribution

# VIII. Marketing and Communications



**What's in it for each?**

# IX. Governance and Leadership

A. Physician driven

B. Plan ↔ provider group ↔ hospital collaboration

C. CMS demonstration pilots

1. Implications to new governance structures
2. Legal considerations (anti-trust, fraud and abuse)
3. Incentives/payment distribution/care models

# X. Health Information Technology

## Access

- Secure messaging
- Care teams
- Remote monitoring
- PHR/EHR access
- Patient engagement tools

## Coordination of Care

- Reminders/outreach
- Team/care plan coordination / transitions of care
- Referral management
- Diagnostic results management
- Shared decision support

## Payment Reform

- Efficiency measurements
- Pay for performance and quality
- Gain sharing contribution tracking
- Risk and acuity measurement
- Predictive modeling
- Comparative effectiveness analytics

# Accountable Care Organizations

**Clinical  
Performance**

**II. Data Exchange**

**III. Measurement Sets**

**IV. Clinical Programs**

**Administration  
Oversight**

**V. Payment Mechanisms**

**VI. Contracting**

**IX. Governance &  
Leadership**

**Patient  
Focus**

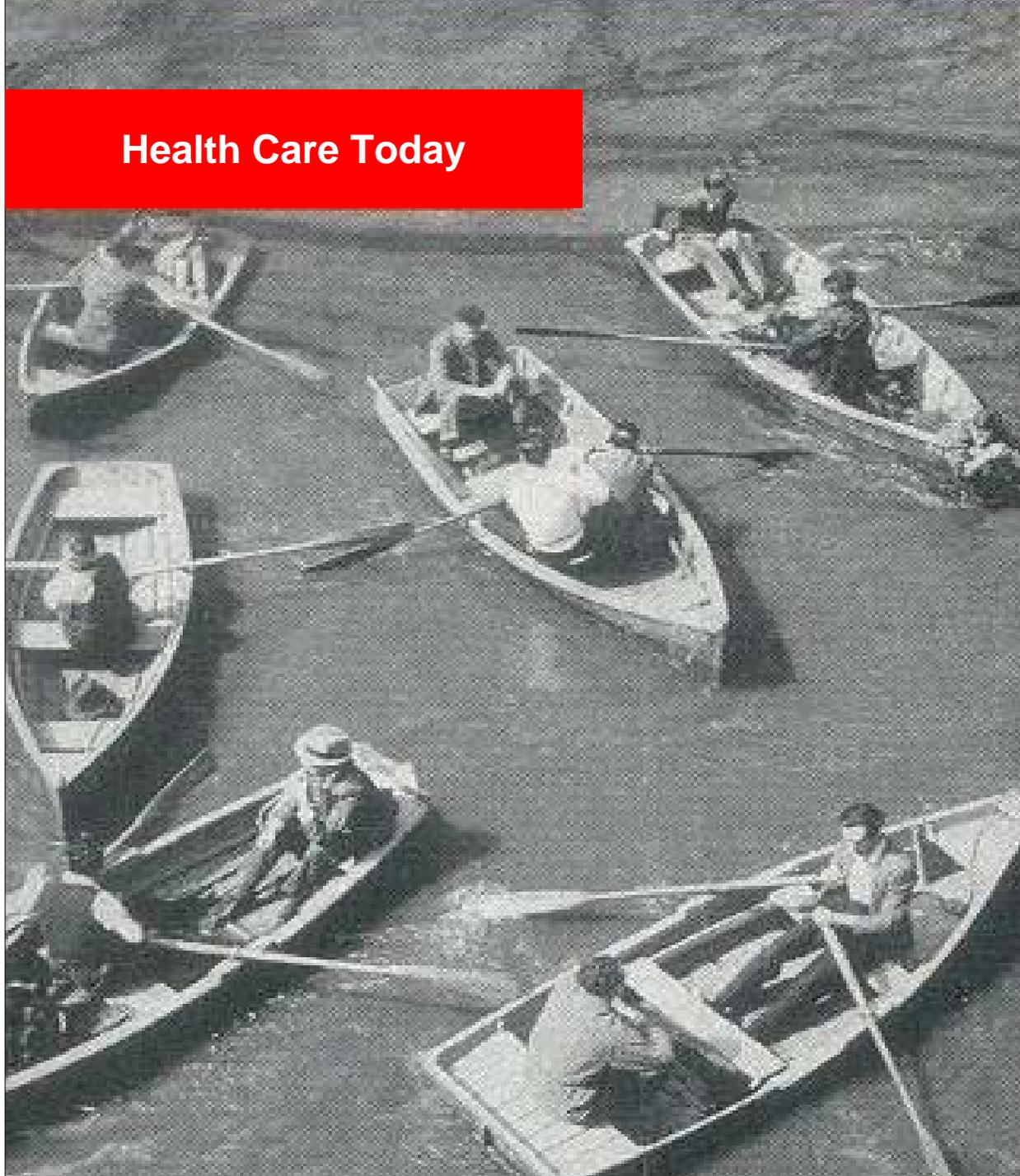
**I. Attribution of  
Population**

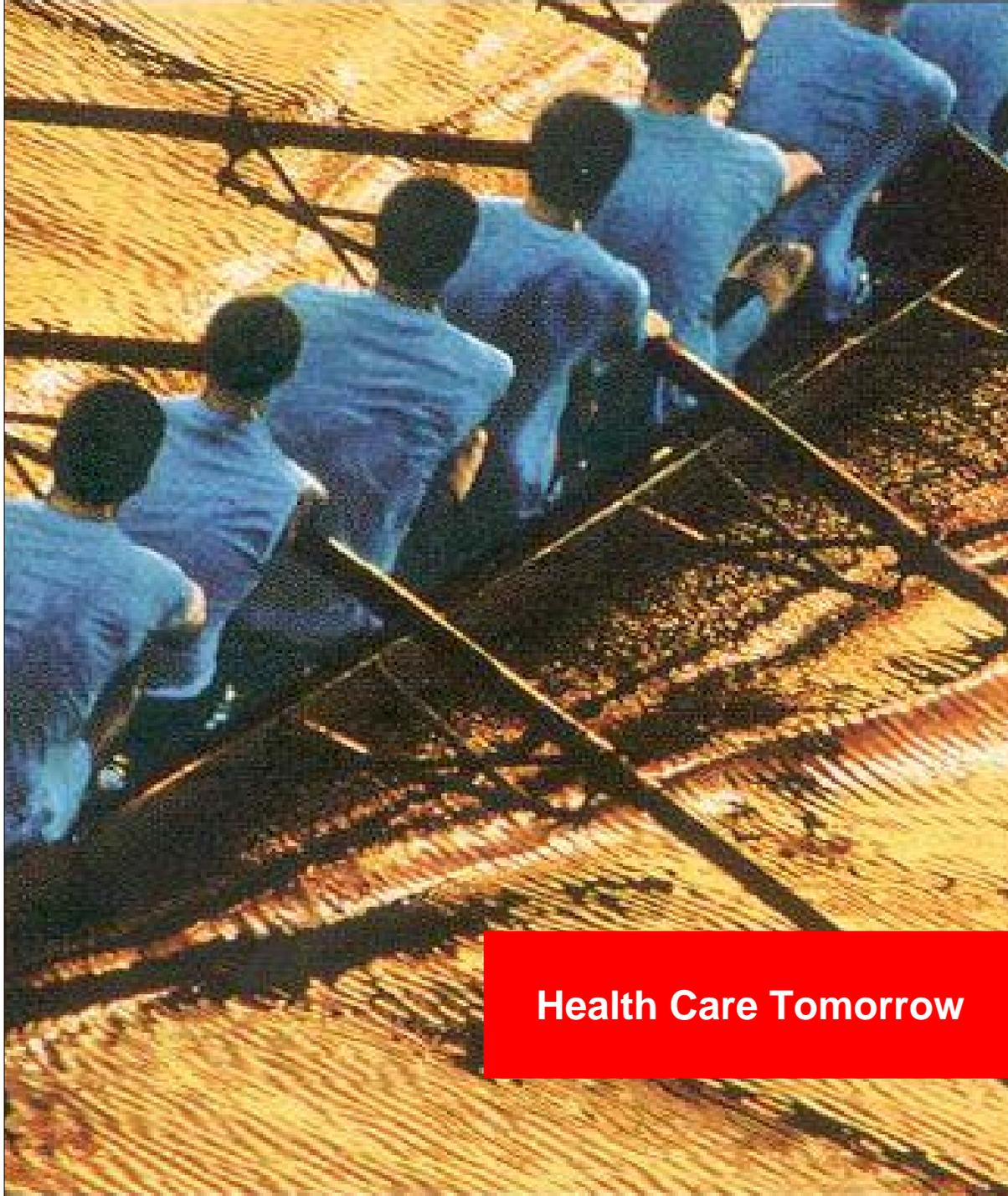
**VII. Patient  
Engagement/Loyalty &  
Product Design**

**VIII. Marketing &  
Communications**

**X. Health Information Technology**

## Health Care Today





**Health Care Tomorrow**