

Accountable Care Organizations: Applied Lessons from the AQC

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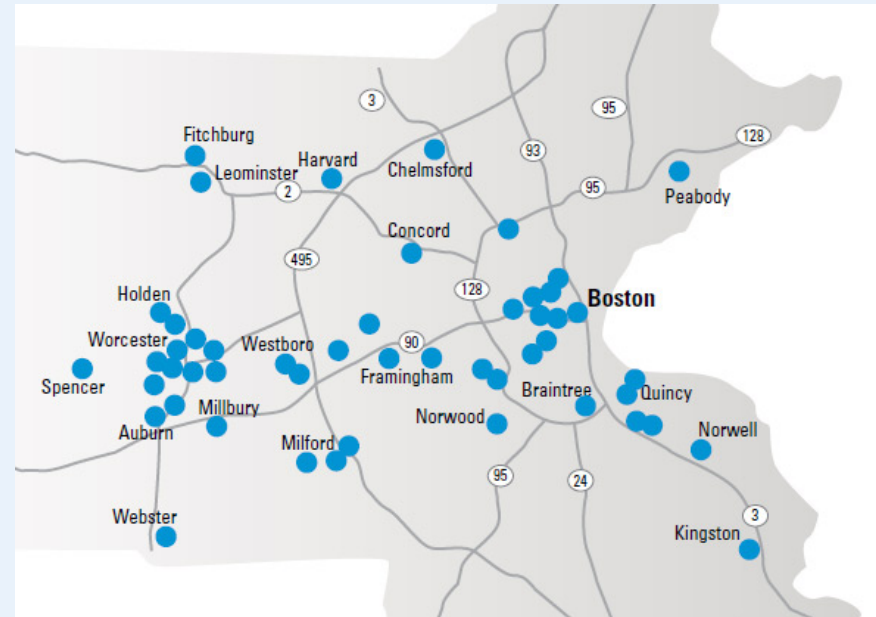
Pay for Performance Summit

March 19, 2012

Atrius Health



- Non-profit alliance of six leading independent medical groups
 - Granite Medical
 - Dedham Medical Associates
 - Harvard Vanguard Medical Associates
 - Reliant Medical Group
 - Southboro Medical Group
 - South Shore Medical Center
- Provide care for ~ 1,000,000 adult and pediatric patients in almost 50 ambulatory sites
- 1000 physicians, 1450 other healthcare professionals across 35 specialties
- Largest physician-based “Accountable Care Organization”



Long history of managing risk for cost and quality. 100% on EMR. Significant infrastructure for managing risk.

The concept of an Accountable Care Organization is not new

“The existing deficiencies in health care cannot be corrected simply by supplying more personnel, more facilities and more money. These problems can only be solved by organizing the personnel, facilities and financing into a conceptual framework and operating system that will provide optimally for the health needs of the population.”

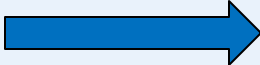
Dr. Robert Ebert, Founder,
Harvard Community Health Plan, 1969

Experience with AQC

- Early adopter based on prior managed care experience
- Investments made to “retool factory” include Lean, Leadership Academy, Patient Centered Medical Home
- Quality framework provided focus and common language across Atrius Health groups
- Established strong precedent for joining Medicare Pioneer ACO Program

Cultural Challenges with move to AQC

We will challenge “Simple rules”:

“I am accountable”  “We are accountable”



From Accountable Care Organizations, Marc Bard and Mike Nugent, 2011

Cultural Challenges with move to AQC

Two Kinds of Change:

Technical

- Problem is well-defined
- Solution is known, can be found
- Implementation is clear

Adaptive

- Challenge is complex
- To solve requires transforming long-standing habits and deeply held assumptions and values
- Involves feelings of loss, sacrifice (sometimes betrayal to values)
- Solutions requires learning and a new way of thinking, new relationships

Other Challenges Addressed with AQC

- Change has to apply across practice and not for single population
- Cannot manage centrally; shift more of decision making to local sites
 - Leadership Academy
 - Site Councils
 - Lean management
- Must develop physician leaders
- Meaningful communication with each primary care practice about their performance

Addressing Quality Measures

- Synchronized definitions with BCSBMA
- Utilized EMR and claims data base to develop standard reports; health information is key
- Selected Top Tier focus measures
- Set goals by site and ongoing measurement; educated physicians one practice at a time
- Highlighted best practices and biggest obstacles for shared learning on ongoing basis
- Addressed plateaus that inevitably occurred
- Moved from gate 2.7 to expected 3.4 to date

Atrius Health perspective in 2012

- Unless healthcare costs are controlled quickly through improvement efforts, quality of care and other aspects of society will suffer.
- Legislative action likely to achieve better usage of health dollars
 - Medicare ACO Programs
 - Massachusetts legislation: ACOs, Prices
- Physician 'job do-ability' is still a problem
- Primary care workforce shortage is coming
- Local market beginning to address these issues in meaningful way; AQC has been a driving force

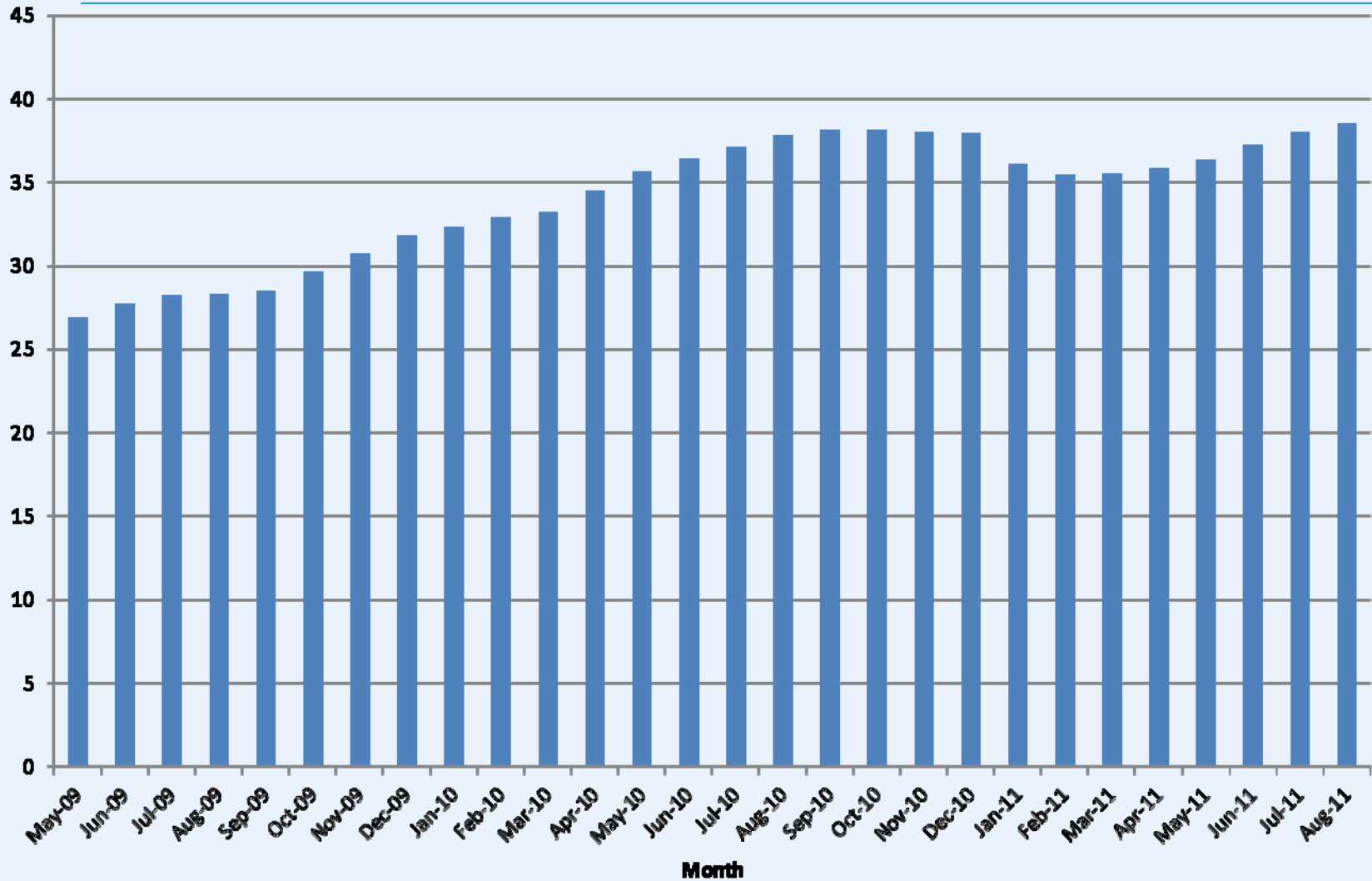
Moving from managed care to AQC and beyond

	<u>Managed Care</u>	<u>HMO-based ACO</u>	<u>PPO-based ACO</u>
Link patient to primary care provider	Patient must choose	Patient must choose	Formula based on prior choices
Referrals required	+	+	-
Manage care across continuum	+	++	+++
Utilization and cost data	+	++	++
Quality measures: process & outcomes	+	++	++
Patient Experience measures	-	+	++
Care program development	+	++	++
Population health management	+	++	++
Manage a budget	+	+	+
Risk for savings/loss	+	+	+

Atrius Health ACO Strategies

- Foster culture of service to patient
- Strengthen our distributed physician leadership at all levels in the organization
- Continue our LEAN journey to improve quality, patient safety, patient experience, and reduce costs
- Implement & spread Patient Centered Medical Home, including management of high risk populations
- Create compact with staff at every level to clarify roles at top of license
- Strengthen collaboration across specialists, hospitals, and post-acute care to be successful Accountable Care Organization without hospital ownership

Outstanding Quality Measurement



DM Composite Outcomes: LDL control, HbA1c Control, BP control

We are cutting the trend in cost growth

**Atrius TME pmpm & trend
Commercial Risk Members**



Reflections...

The future we predict today is not inevitable. We can influence it, if we know what we want it to be...

We can and should be in charge of our own destinies in a time of change.

Charles Handy
The Age of Unreason