POPULATION HEALTH COLLOQUIUM

ACOs AT AN INFLECTION POINT:
Where the Movement is Headed,
~~Where Some Succeed and Others Don't~~

Val Overton, Fairview

Dr. Morey Menacker, Hackensack

John Poelman, ACLC

Greg Kotzbauer, Dartmouth

Gerry Meklaus, Accenture

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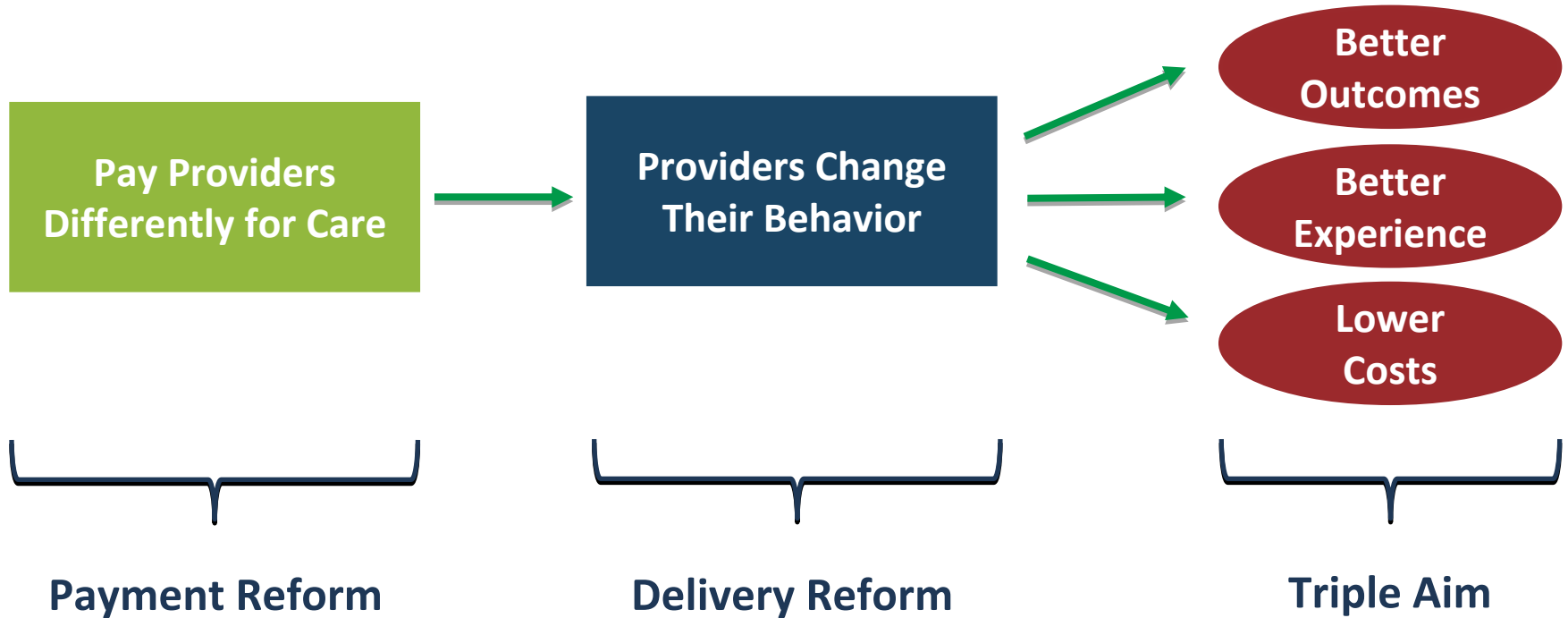LEARNING COLLABORATIVE
AT WESTERN GOVERNORS UNIVERSITY

TODAY'S AGENDA

1. Welcome and Introductions
2. ACO Growth, Results and Trajectory
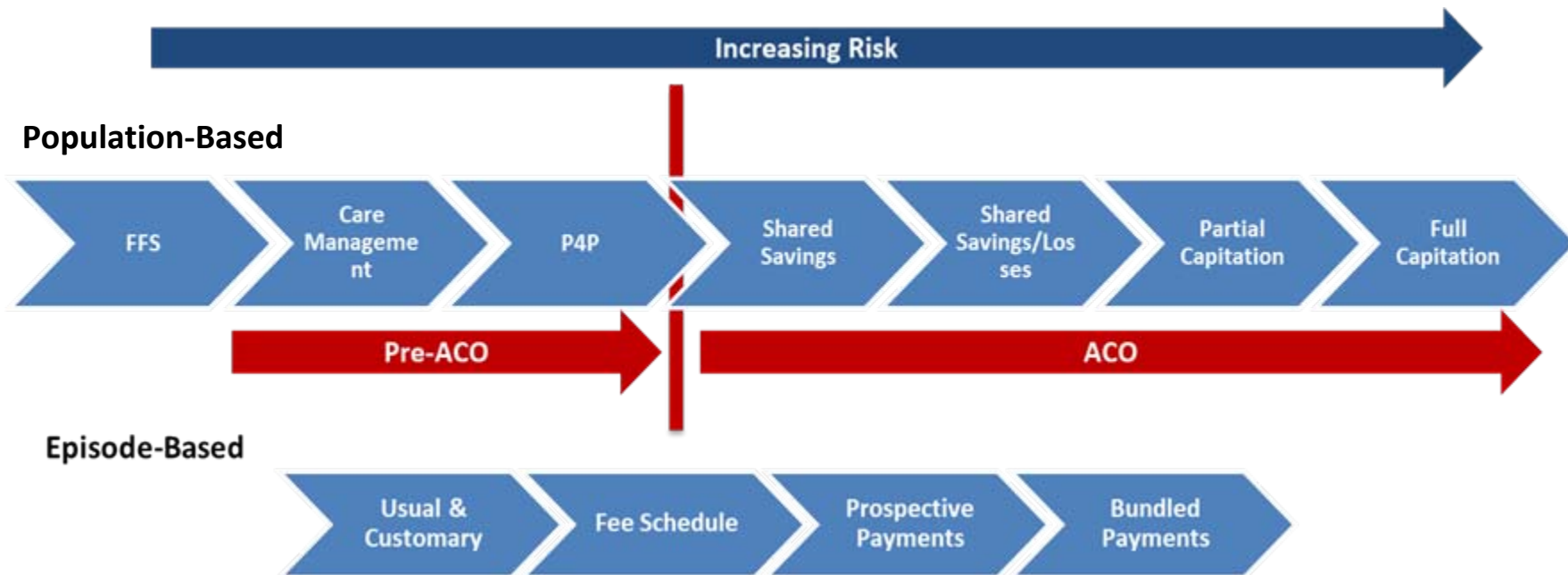3. ACLC Leadership Cohort
4. Panel Conversation
5. Audience Q&A

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"This administration and this President are not interested in incremental steps. We are unafraid of disrupting existing arrangements…" Secretary Alex Azar
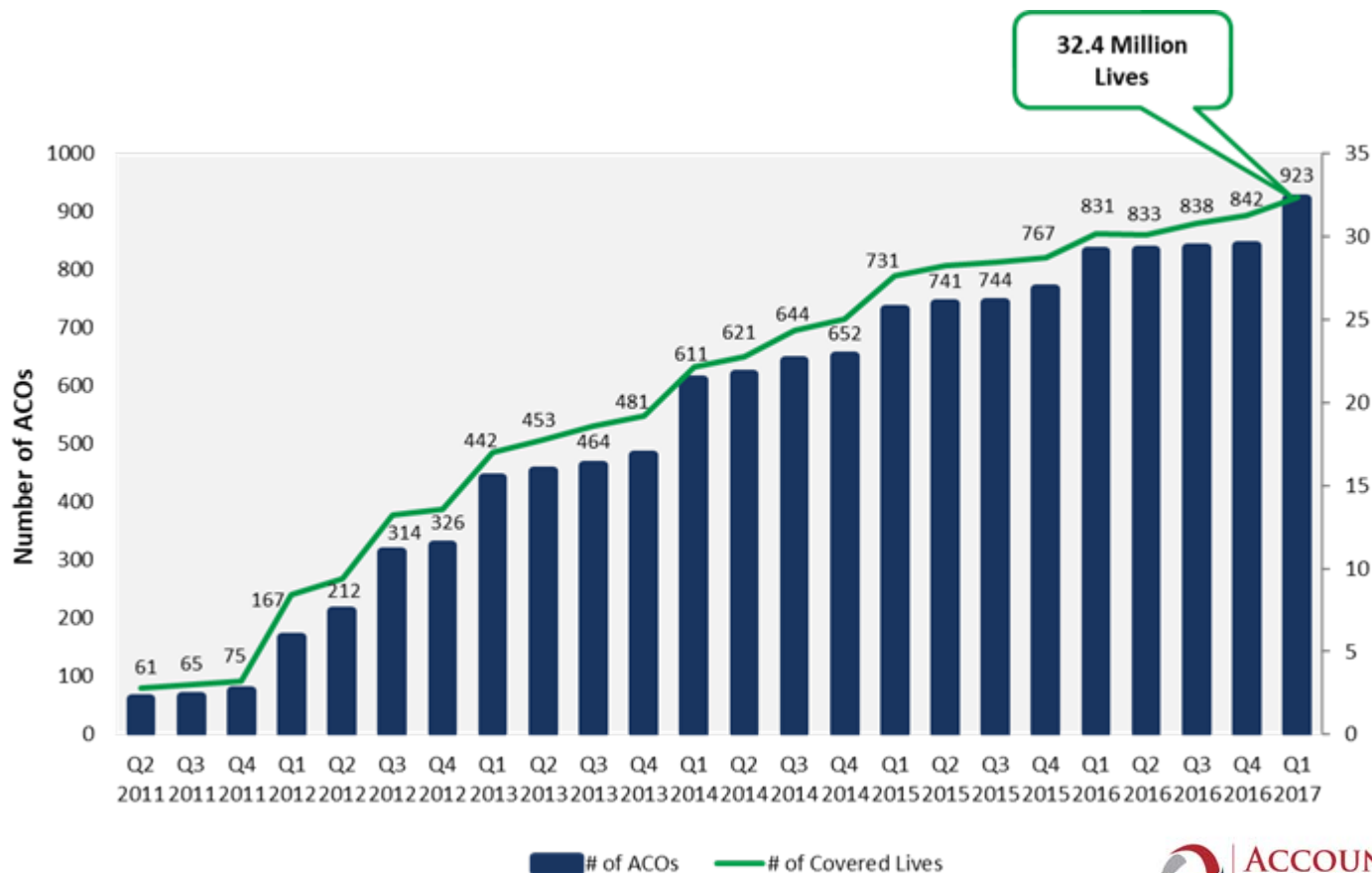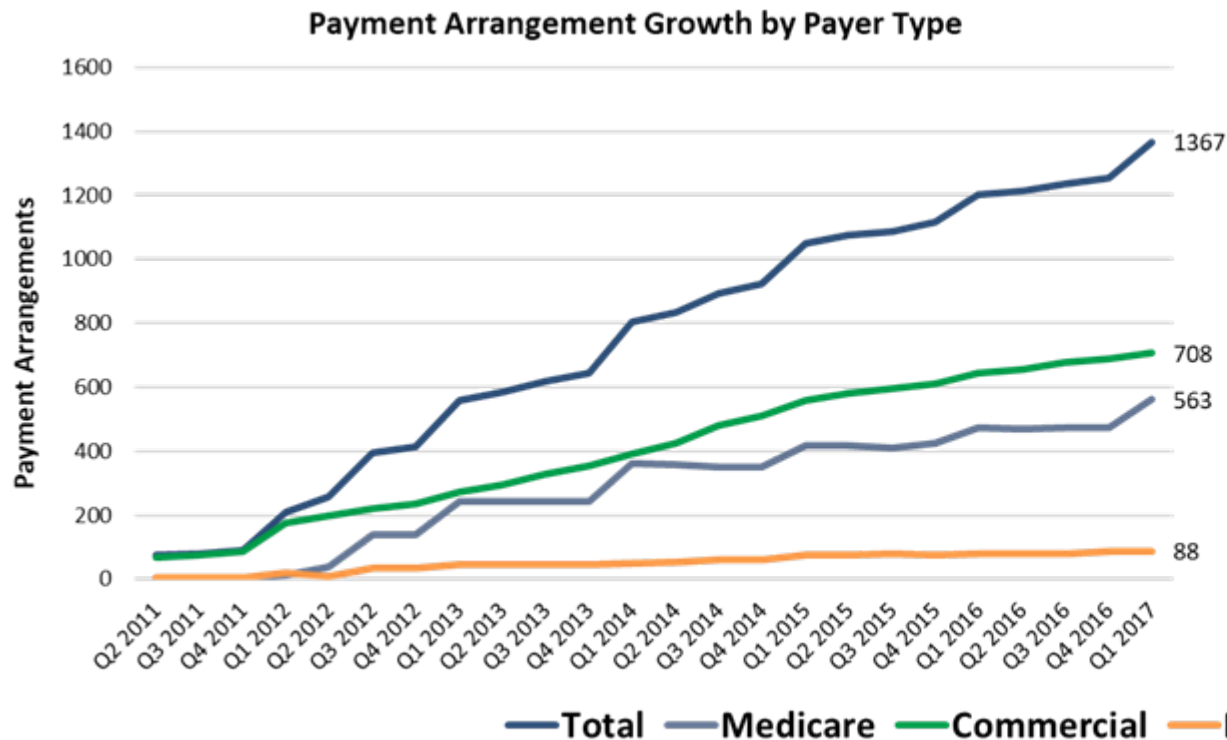
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THEORY OF HEALTH CARE REFORM

PROGRESSION OF PAYMENT ARRANGEMENTS

Increasing Risk

Population-Based

| FFS | Care Management | P4P | Shared Savings | Shared Savings/Losses | Partial Capitation | Full Capitation |

Pre-ACO | **ACO**

Episode-Based

| Usual & Customary | Fee Schedule | Prospective Payments | Bundled Payments |

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ACO GROWTH

32.4 Million Lives

Source: *Leavitt Partners Center for Accountable Care Intelligence*

ACO GROWTH BY PAYER

Payment Arrangement Growth by Payer Type

Legend: Total, Medicare, Commercial, Medicaid

Values labeled: 1367, 708, 563, 88

ACO Lives Per Payer (in Millions): 3.9, 9.5, 18.7

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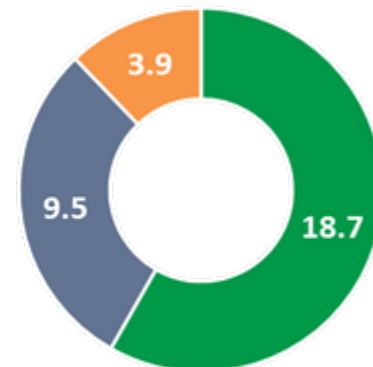
ACO ENTRANCES AND EXITS

ACO Starts and Dropouts Over Time

■ Start ■ Dropout

Source: *Leavitt Partners Center for Accountable Care Intelligence*
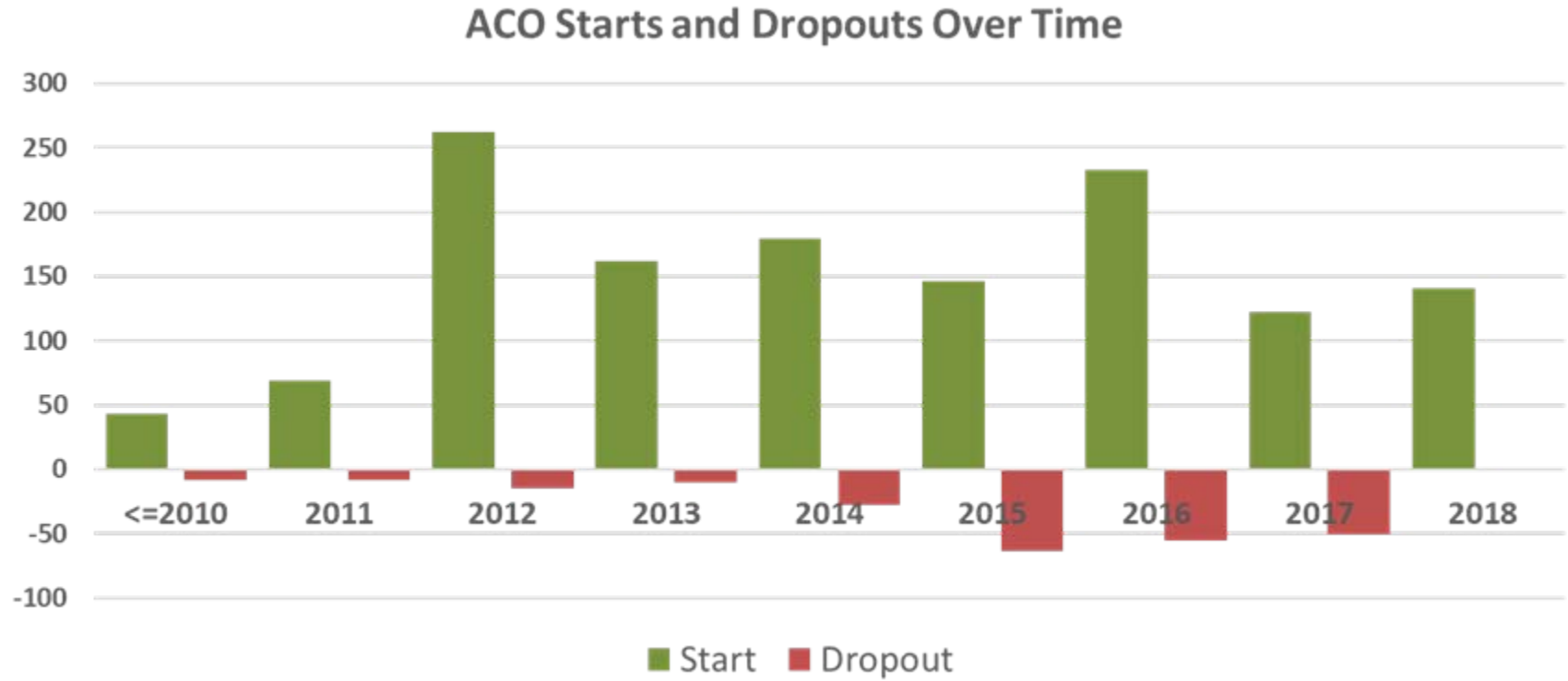
ACO PREVALENCE OVER TIME

Estimated ACO Penetration by Hospital Referral Region

2017

% ACO lives
- >30%
- 20-30%
- 15-20%
- 10-15%
- 5-10%
- 2-5%
- 0-2%

Source: *Leavitt Partners Center for Accountable Care Intelligence*
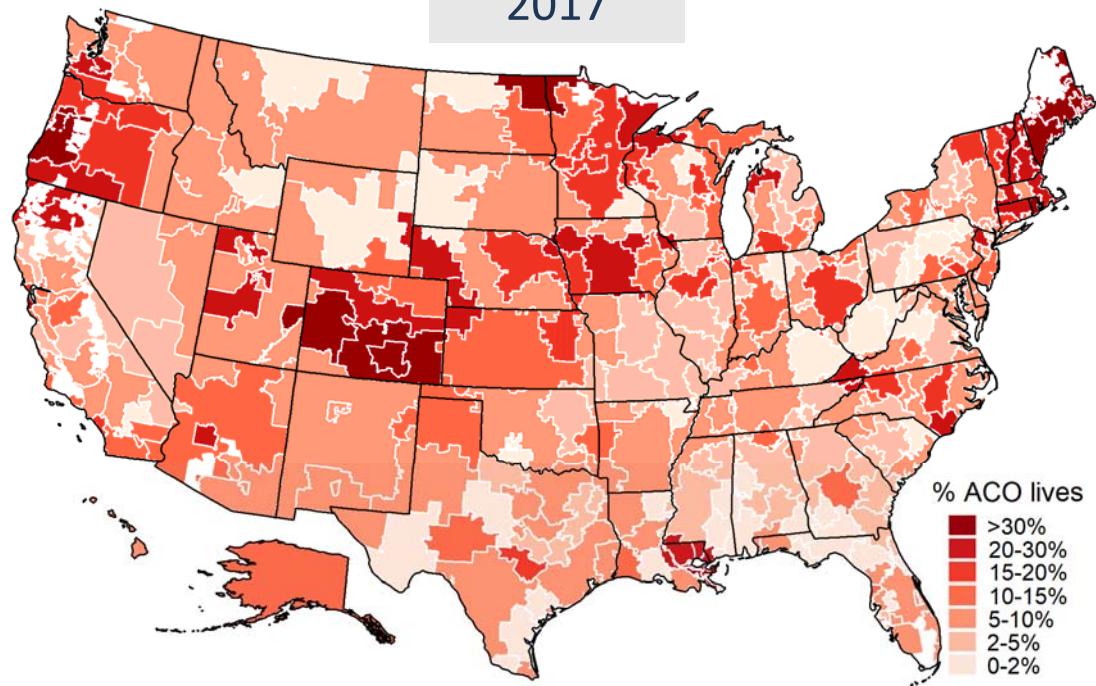
Financial Impact of the Medicare Shared Savings Program by Start Date
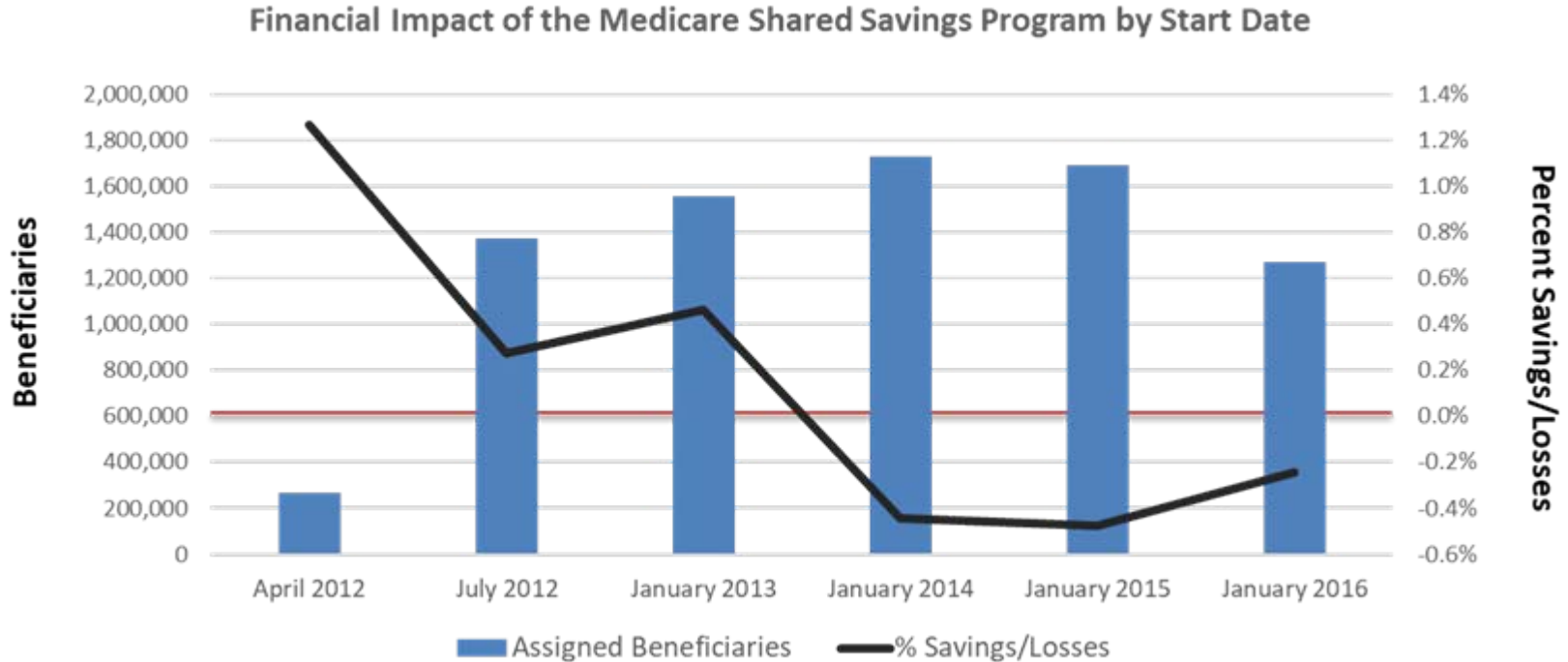
MSSP 2016 ACO RESULTS BY BENCHMARK

Source: *Leavitt Partners Center for Accountable Care Intelligence*
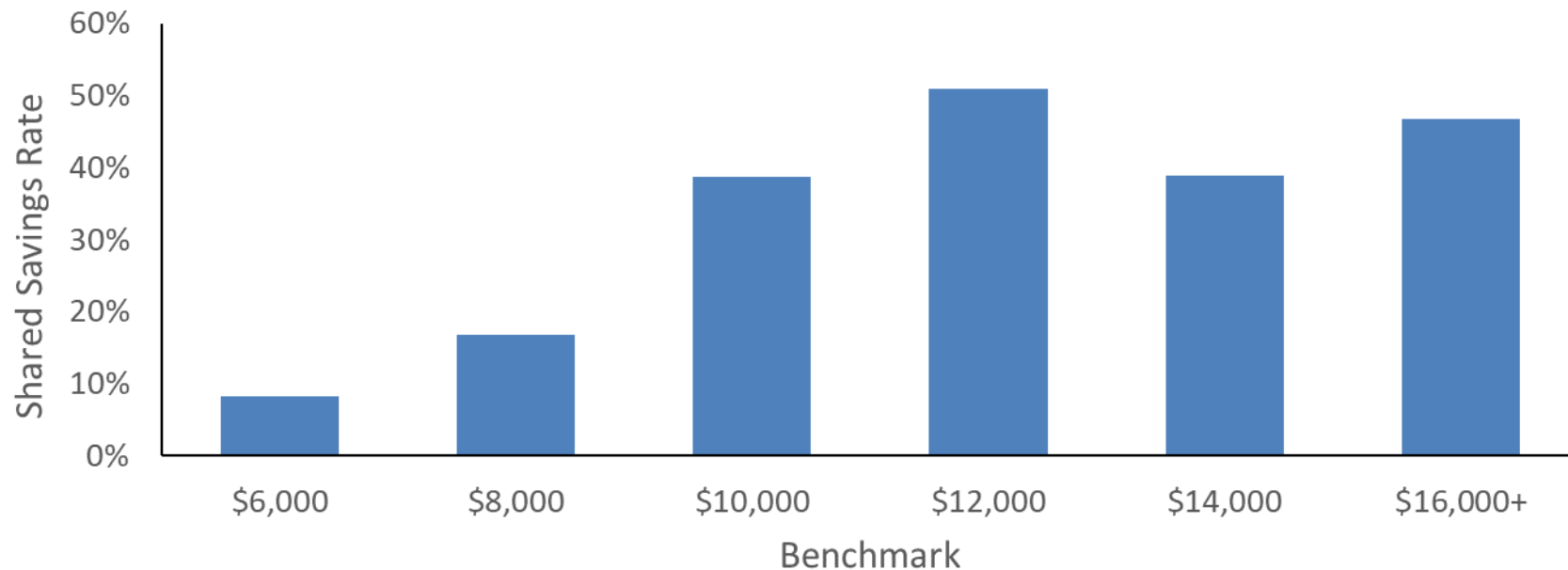
QUALITY AND SAVINGS

2016 MSSP ACO Quality and Cost Scores

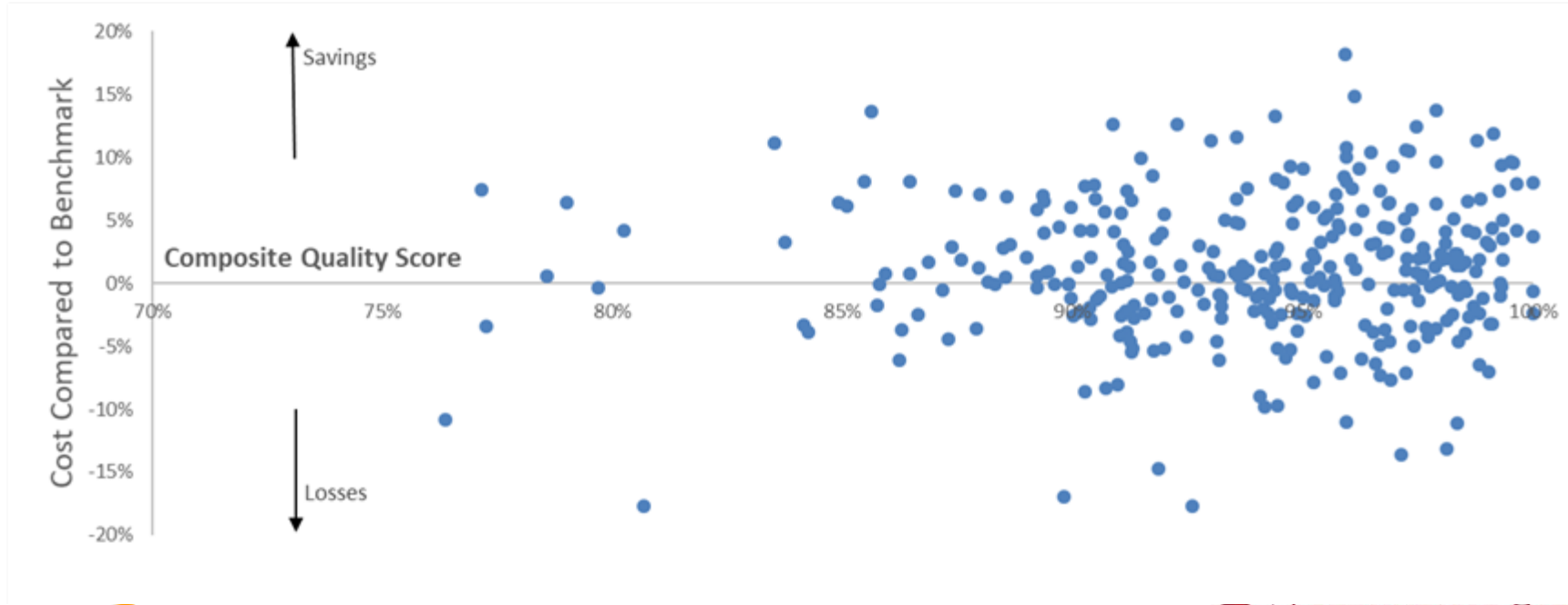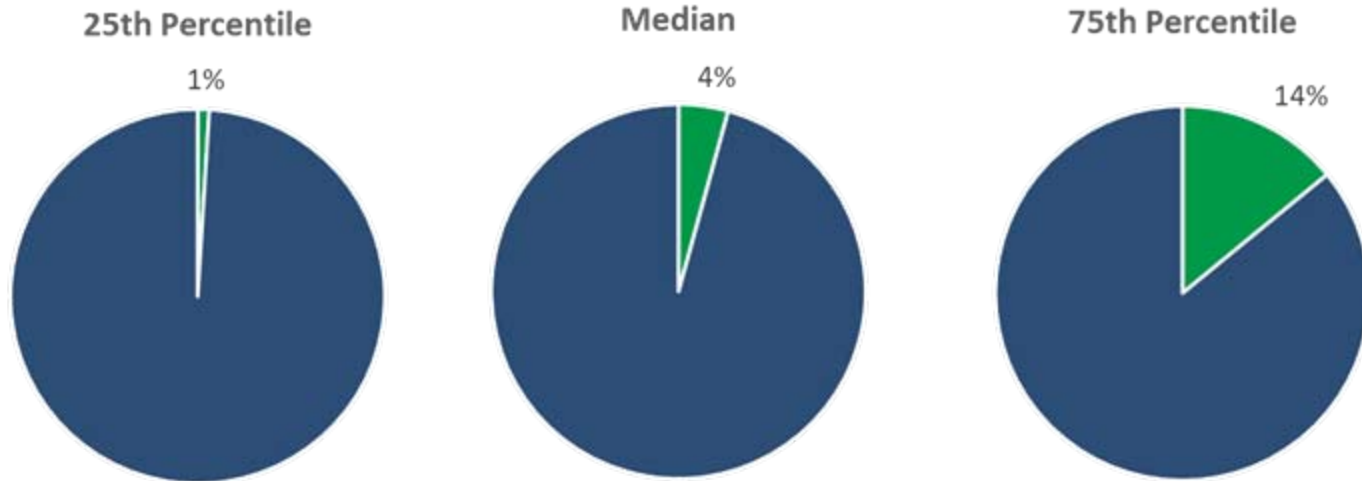## WHY HAVEN'T VALUE-BASED PAYMENT MODELS ACHIEVED ALL THEIR OBJECTIVES?

1. Payment models need improvement
2. No clear business case
3. Takes time to develop new competencies

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PERCENT OF MARKET POPULATION COVERED BY POPULATION-BASED PAYMENT MODELS

25th Percentile — 1%

Median — 4%

75th Percentile — 14%

N=945 Markets

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Source: *Leavitt Partners Center for Accountable Care Intelligence*

BARRIERS TO MAKING THE BUSINESS CASE

- Experimentation vs roll-out

- CFO Dilemma

- Governance

DEVELOPING THE COMPETENCIES

➤ Over 160 competencies

➤ Organized into a logical sequence

➤ Based on relationships to other competencies
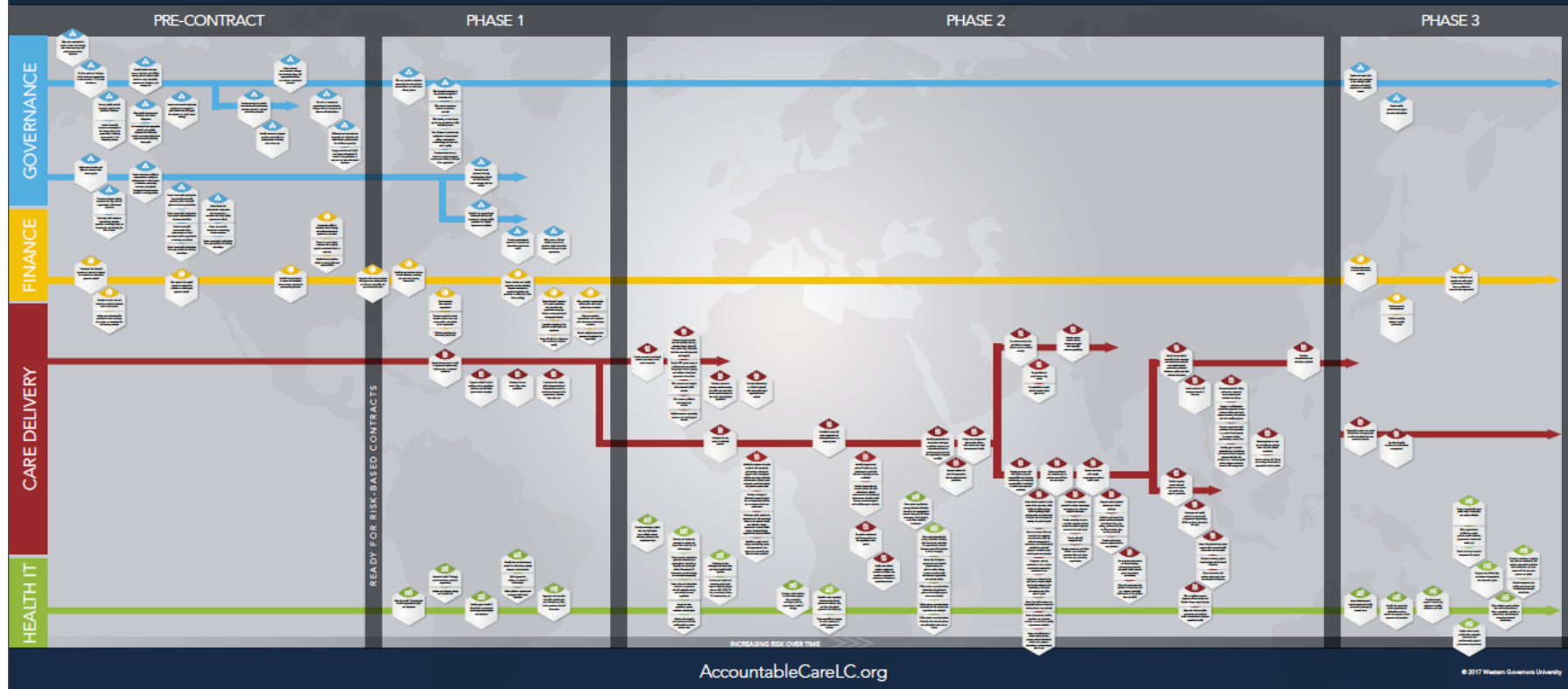
➤ Includes phases and work areas

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Accountable Care Atlas

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DETAILED

CHALLENGES TO SUCCESSFULLY PARTICIPATING IN AN ACO ARRANGEMENT

- Difficulty finding willing provider partners

- Inadequate clinical integration

- Accounting or financial tracking

- Misaligned quality requirements

- Cultural compatibility with value

- Lack of technology to support value-based care

- Lack of interest of payers or purchasers to engage

- Difficulty securing reserves necessary for risk

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KEYS TO MAKING THE TRANSITION

1. Sufficient revenue at risk to justify making the shift from FFS (breadth of risk, not depth of risk)

2. Learning the competencies and skills necessary to manage a population

3. Cultural buy-in and belief in value-focused models

4. Patience

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LEADERSHIP COHORT

Identifying Leadership Competencies

Cohort Participants

- High performing ACOs
- Multiple contracts, large number of lives
- Experience in risk and in competitive market
- Outstanding leadership and cultural influence

Study Questions

1. What leadership and structural competencies are common among successful providers?
2. How executive decisions are made in prioritizing advancements?
3. How market contexts may influence these competencies and decisions?

Value Based Readiness Assessment (VBRA)

VBRA

DESIRED STATE

PATHWAY TO SUCCESS

CURRENT STATE

● VBRA identified "speed bumps"

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CULTURE OF VALUE

Cultural buy-in and belief in value-focused models

LEADERSHIP IMPERATIVES

- Set Direction: Mission, Vision, and Strategy
- Establish the Foundation
- Build Will
- Generate Ideas
- Execute (and Embed) Change
- Our future

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LEADERSHIP COHORT – PANEL

Morey Menacker, MD
President and CEO
Hackensack Alliance ACO

Val Overton, CNP, RN
VP Quality, Innovation
Fairview Health Services

Greg Kotzbauer
Managing Director
The Dartmouth Institute

LEADERSHIP IMPERATIVES

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Set Direction: Mission, Vision, and Strategy

• *Messaging strategy – why the future as an ACO is attractive to all stakeholders.*

• Sequence of improvement objectives guided by the workforce's perceived ability

Establish the Foundation

- Senior leadership team training plan is aligned with the strategic plan

- *Behaviors of senior leadership team are consistent with the cultural values essential for ACO success.*

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Build Will

• *All staff understand expected impact of proposed changes in the ACO strategic plan.*

• All staff understand how their performance goals relate to the organizational goals overall

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Generate Ideas

•Provide the guidance and "safe space" to identify and test improvement ideas

•Identify and work with "opinion leaders" to shape workforce engagement and improvement strategies

•*Improve communication patterns (timeliness, transparency, accuracy, etc.) within and across care teams and between executives and the workforce.*

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Execute (and Embed) Change

- Break down strategic plans into manageable parts, refine implementation based on local team dynamics.

- *Promote and support local accountability for results.*

- Collaborate with workforce to regularly share key lessons learned across teams and promote key behaviors.

Our future

- *The future of our organization under value-based payments (or our ACO) is a place where...*

TEXT
YOUR NAME
YOUR EMAIL
TO: 201.783.3255

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THANK YOU!