

CAPG : Advancing Accountable Care in Physician Organizations

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Overview

- CAPG, more than a trade association
- A little history
- ACO Primer
- Jockeying for position in California

California Association of Physician Groups

**Organized Medicine Provides Quality, Safety
and Innovation to California Patients**



**155 Groups
Comprise CAPG**

59,000 Doctors*

15,600,000 Patients

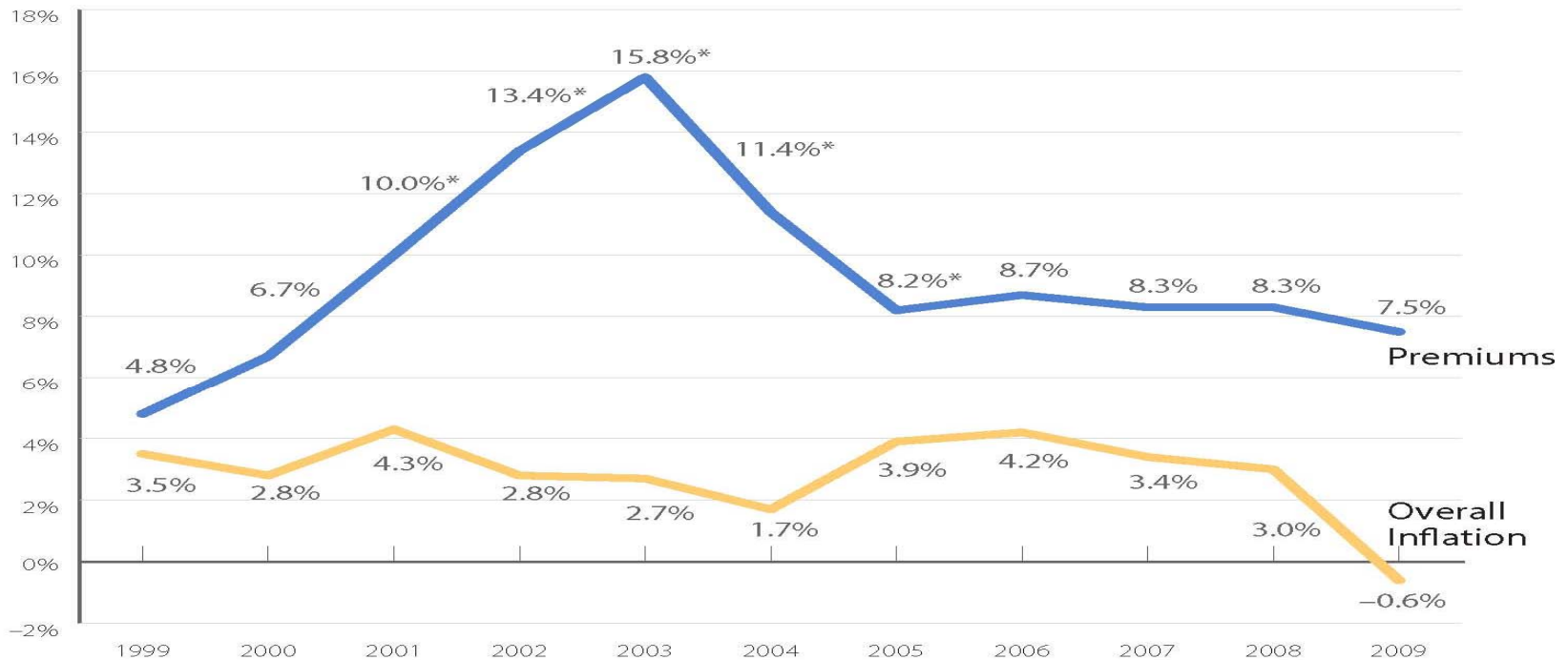
* Source: Cattaneo & Stroud. Employed/contracted physician and patient count as reported by www.cattaneostroud.com on January 12, 2006 compiled pursuant to a grant from the California Healthcare Foundation.

History

- 1929 Ross Loos prepaid clinic contract with Los Angeles DWP
- 1938 Henry Kaiser, Dr. Sidney Garfield, and the Grand coulee Dam.
- HMO Act of 1973
- 1975 California Knox Keene Act

Premium Trend

Premium Increases Compared to Inflation,
California, 1999–2009



PPACA

- Insurance reforms aplenty
- Delivery model and payment methodology reforms
- The Path: move away from FFS
- For CAPG members, a mixed bag

What is an ACO?

- The PPACA definition
- Groups of providers that agree to manage and coordinate care
- Can be medical groups, or networks of physicians, or hospital-physician joint ventures, e.g., foundations

PPACA Requirements for ACO

- A. Must agree to be accountable for cost and quality
- B. Obtain 3 year agreement directly from CMS
- C. Have formal legal structure; payables and receivables
- D. Sufficient number of Primary Care Docs; min of 5000 patients
- E. Provide CMS with list of providers, a network

PPACA Requirements for ACOs (cont)

- F. Have clinical and administrative management
- G. Have processes for EBM promotion, quality reporting, coordinating care, health information technology.
- H. Quality measures: clinical, process and outcomes, utilization
- I. Reporting on quality measures; submit data; standards
- J. Demonstrate patient centeredness

HOW ACOs WORK

PPACA Provisions:

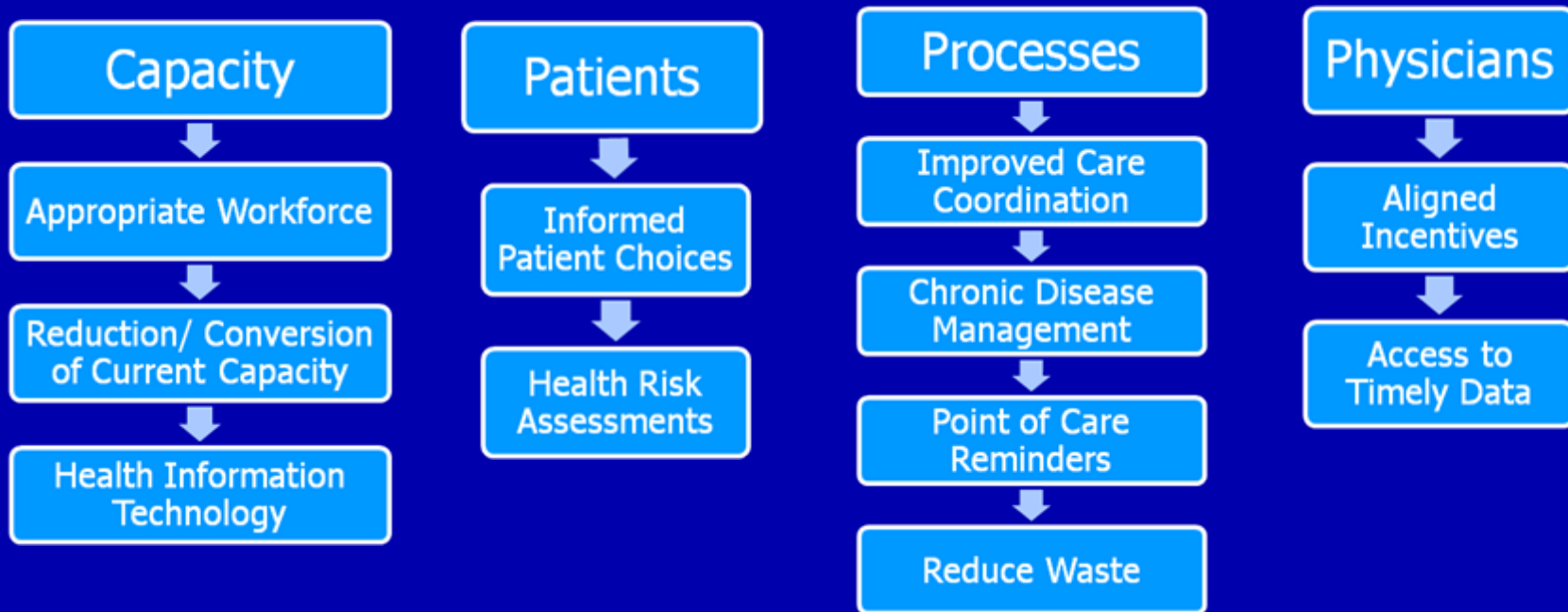
- Original Medicare program; Parts A and B
- Fee-for-service payments continue
- Shared savings model
- Partial Capitation model
- Attribution vs. Assignment
- Preference.... for existing ACOs

Features Within an ACO

- Medical Home
- Bundled Payments
- Shared Decision Making
- Care Management – Hospital and Ambulatory
- Hospitalists
- Data/ Data/ Data  Information

How do ACOs reduce expenditures?

- Through concerted and systematic efforts to improve quality and reduce costs across the organization:



Jockeying for Position

- Physicians vs. Hospitals.....Who "controls" ACO?
- Foundation Model in California
- Climate of Uncertainty

ACOs: The Opportunity

■ Current System

- FFS – Volume Incentives
- More vs. Better
- Adversarial Relationships
- Fragmentation

■ Future State

- Integration
- Coordination
- Cooperation
- Team Care
- Aligned Incentives
- Payment and Profitability tied to quality, access and efficiency

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