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HCPA → ACA & on to ACOs

Philip Gaziano, MD
President & CEO of ACA

November 30, 2010

1970s->2010s Attempts at Medical Cost Containment

1. Reducing Fees (All)
2. Partial Capitation
3. Global Cap. + Ins. Managers
4. Global Cap. + Local MD Managers*

(With Delegation + Risk Sharing)*

Medicare Advantage is most common*

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Proposed ACO Structures: (Massachusetts & Federal)

PCPs

PCPs + Specialist

PCPs + Specialist + Hospitals

Any of the Above + Payers

(all must have Infrastructure)

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Why Should ACO's be Physician Driven?:

In Hampden, Hampshire, & Franklyn Counties the pen above (and others like it) can order either:

$4,000,000,000 of health care expenses, or

$3,500,000,000 and give higher quality care.

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HCPA / ACA's Move to ACOs

(Past, Present, Future)

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1996…The Dawn of MA Global Capitation In Hampden County

Noble Tufts Pods:

1. Noble Hosp. PHO
2. Pioneer

BMC/Mercy BCBS Pod:

4. River Bend

(Medical West)

Holyoke Tufts Pod:

3. Holyoke Hosp. PHO

Mercy Tufts Pods:

5. PQC (MIMS)
6. PVP (MIMS)
7. HCPA

Which Pod was the first to lose Money?

Then HCPA got Infrastructure

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2010… MA Global Capitation In Hampden County

Noble Tufts Pods:

1. Noble Hosp. PHO
2. Pioneer

BMC/Mercy BCBS Pod:

4. River Bend (Medical West)

Holyoke Tufts Pod:

3. Holyoke Hosp. PHO

Mercy Tufts Pods:

5. PQC (MIMS)
6. PVP (MIMS)
7. HCPA

Which Pod is Left?

…Because of our Infrastructure

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HCPA / ACA Managed-Care
(Integrated) Clinical Infrastructure

1998 We Started Dedicated **Hospital Day Rounding**.
1998 We Started **SNF/Sub-Acute Rounding**.
1999 1st Case Manager Hired
2001 Became **delegated for Case Management** (follow NCQA)
2002 We **Started Disease Management**
2002 Included affiliated physicians
2004 **Delegated for Disease Management** (follow NCQA)
2005 We Developed a Paper **Coding and Info. Sharing Tool**
2008 Converted to a **Web-Based Coding & Info. Sharing Tool**
2009 We added a 2nd **Medicare Plan**… and the **BCBS AQC**
2010 **New data tools, integration, and PIC's into the offices**

(We now manage $130 million/yr. of ACO type healthcare expenditures for >19,000 members)

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Managed-Care Priorities by Product

Managed Medicare	Managed Commercial
Contracting	***Contracting***
Network Maintenance	Network Maintenance
Data Analysis / Registries	***Data Analysis / Registries***
Medical Direction	Medical Direction
Member Access to PCP	***Member Access to PCP***
Case Management	Case Management
Disease Management	***Disease Management***
Pharmacy Management	***Pharmacy Management***
Dedicated Hosp. Rounding	Dedicated Hospital Rounding
Dedicated SNF Rounding	Dedicated SNF Rounding
Correct Coding	Correct Coding

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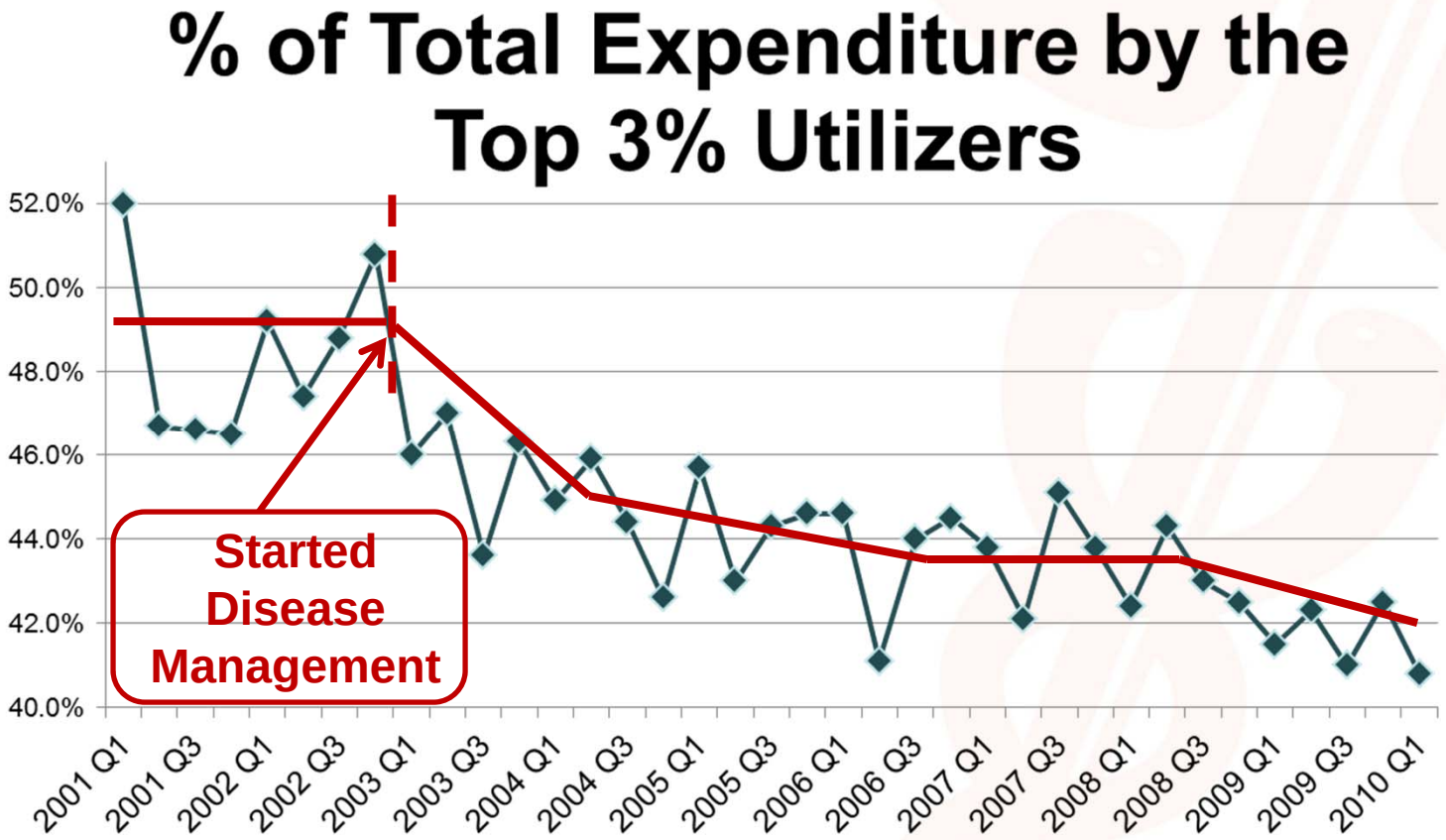
Disease Management Outcomes:



49% → 42% = $5,000,000 /year savings

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Disease Management Satisfaction:

	Excellent	Very Good	Good	Fair or Poor	NA
Get advice from CM when needed	61%	33%			
CM calls when needed	44%	22%	10%		10%
CM courteous and professional	83%	13%	10%		
Teaching materials effective	25%	33%	10%		11%
Return calls in a timely manner	61%	19%	10%		16%
Satisfaction w/ home care nurse	50%	22%	10%		22%
Hospitalized fewer times this year	44%	25%	10%		25%
CM knows your conditions	63%	22%	10%		10%
Overall satisfied w/ DM program	66%	20%			

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CareScreen

Our Data Sharing Service:

Web based on a secure server.

Used by offices w/ paper charts or EHRs.

Data given at the time of the visit.

Improves Chronic Disease Care & Coding.

Improves Pharmacy, and Quality.

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Data Warehouse

Data drives Efficiency and Quality:

PCP's need the most Data:

(P4P, Quality, Efficiency, Transparency…)

Multiple Data Feeds are Necessary:

(Claims, Hospital, Lab, PHO, IPA, EMR…)

Not Cheap, But Vital for Managing Risk

(Tools are here now and ready now)

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Our Total Medical Care (MA) Cost Savings:

$15,000,000 /year

20% of our Total budget

Due to an Integrated Approach***

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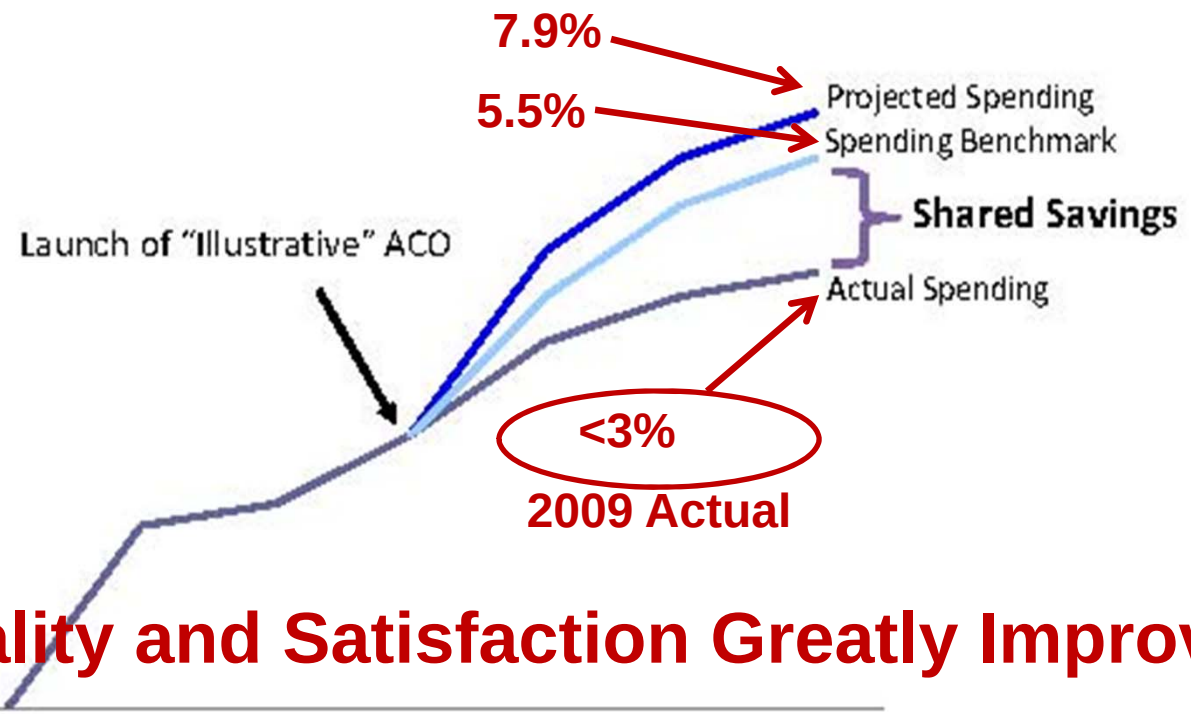
Our 1st Year AQC Outcomes:

Figure 2

Shared Savings Derived from Spending Below Benchmarks That Are Based on Historical Spending Patterns



& Quality and Satisfaction Greatly Improved

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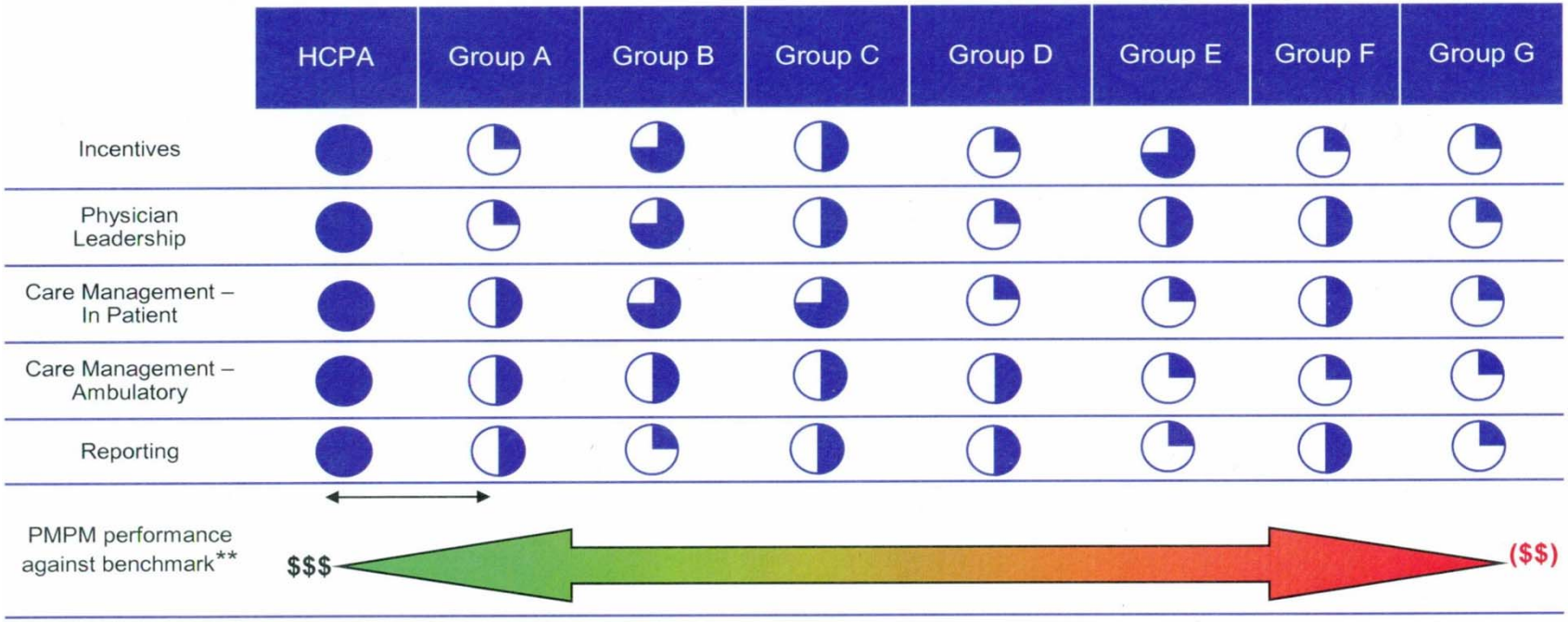
A Deloitte Report-Card:

There is a strong (but not exact) correlation between best practices and financial performance.*



* *Based upon 2008 Data.*
** *Relative to Deloitte Northeast Lightly Managed external benchmark.*

KEY: Leading · Advanced · Established · Emerging

TUFTS Health Plan
Medicare Preferred

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Our ACA (MSO) Structure:

Clinical Managed Care

- Medical Leadership
- Hospital Day Rounding
- SNF/Sub-Acute Rounding
- Case Management
- Disease Management
- Coding and Info. Sharing
- Network Management
- Clinical Data Management
- Quality Support & Reporting
- P4P Support & Reporting
- Incentives and Alignment
- Culture Change***

Administration Managed Care

- Contracting
- Reinsurance
- Facility Tracking
- Network Development
- Network Maintenance
- Data Management
- Outcomes Reporting
- Compliance
- Marketing Support
- P4P Support (Quality)
- Strategic Planning

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The ACA Networks:

130 PCPs

>600 Specialists

50% in groups of 3 or less

50% PCPs Still on Paper Charts

200,000 < 65 Members (6% in our AQC)

55,000 Medicare Members (11% in our MAs)

$1.9 Billion Health Expenditures/ Year

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Provider Perspectives:

Access, Quality, and Efficiency:

1. Work Flow is important
2. Satisfaction comes from Quality
3. All have Need for more Data
4. Contract Incentives Must be Understood
5. Infrastructure = Vital
6. Integrated with Providers is Best

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ACOs and Quality:

1. A new set of Quality Measures (Mostly for PCPs)
2. AQC Quality = 10% of budget ($2.4 Million)
3. CMS Quality = 10% of budget by 2014
4. Better Quality Improves Satisfaction & Savings
5. Different then the 80s (More Quality)
6. Different then the 80s (More Delegation)

- **(Infrastructure Helps All)**

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Thoughts About ACOs:

- Different models for Different Networks
- Hospital Based vs. IPA (Doc) led
- (we need both types, + some hybrids)
- Infrastructure helps all models***
- (Integrated Infrastructure is best***)
- Quality First = Better Outcomes + Savings
- Transparency in all Directions
- Shared Savings + Quality = No Losers

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ACOs:

Providers + Knowledge, And Infrastructure

The Future is Ours

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