Accountable Care Organizations—Pragmatic Issues

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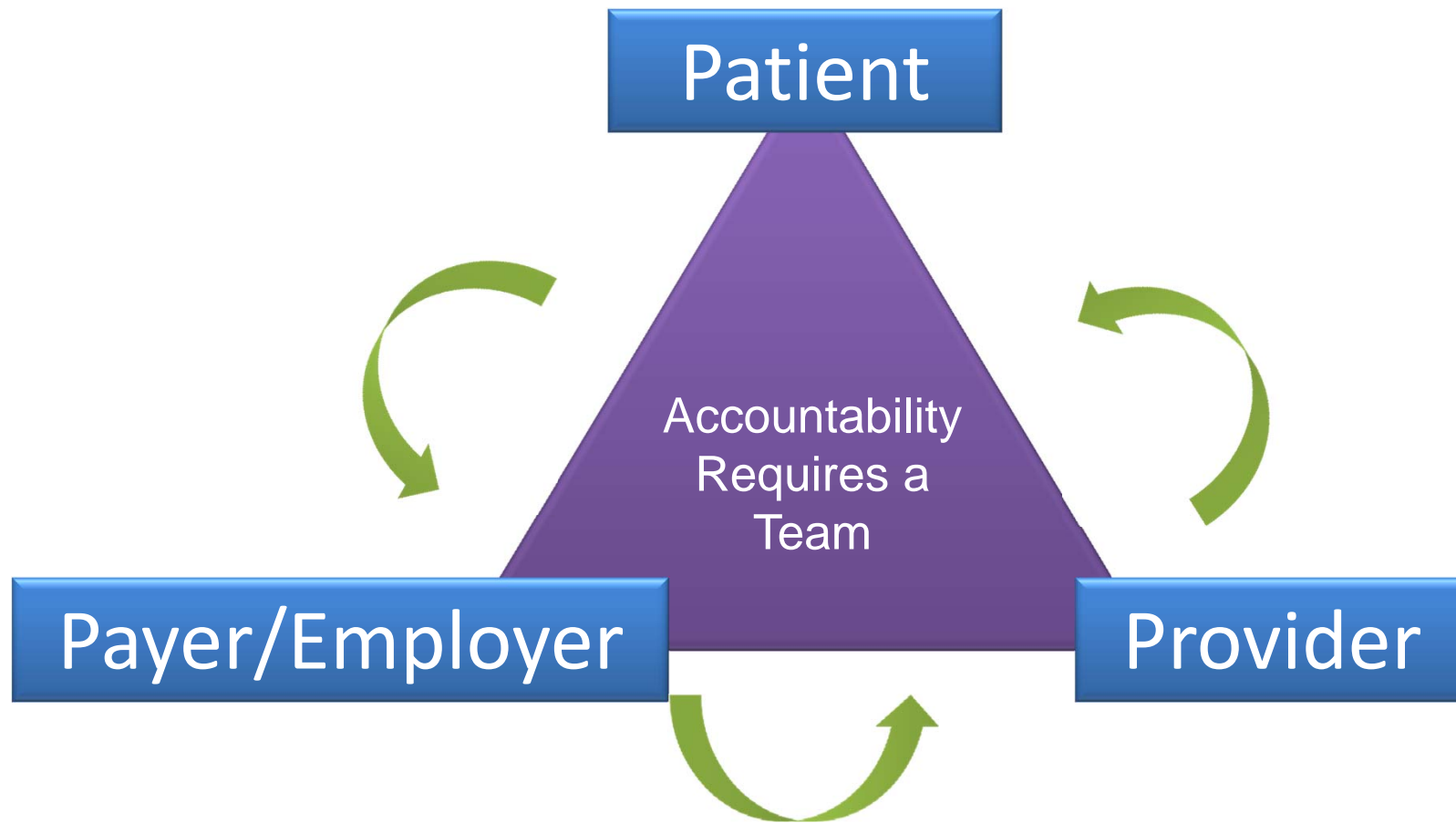

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Norton Healthcare

Integrated Delivery Network of
Five Not-for-Profit Hospitals
14 Out-patient Centers

1.4 Million yearly patient encounters
$1.5 Billion yearly revenue
11,000 Employees
400 Employed Providers
2,000 Physician Medical Staff
2,000 Licensed Beds
60,000 Admissions/year

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Healthcare Accountability and Value

Norton Healthcare ACO

- Norton Healthcare

  - Initial managed care partner Humana

  - Future plans for other manage care providers as model develops.

- Patient population – 1.24 million in community

- Current included groups: NHC employees/Humana employees – 10,000

  — Other groups in process

- Approximately 300 physicians included

  - Primary Care and Specialists

- NHC (400 providers/2000 medical staff)

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Brookings-Dartmouth ACO Pilot

- Norton / HUM ACO pilot is only 1 of 4 early sanctioned by Brookings-Dartmouth
  - Others include:
    - o Roanoke, VA: Carillion & Anthem
    - o Tucson, AZ: University Medical Center & United
    - o Southern California – Monarch Healthcare & HealthPartners

- The goal is to develop one of the first viable Commercial ACO models
- Current status:
  - Standard set of quality measures – Completed
  - Standard patient attribution model for defined population - Completed
  - Self-funded employer participation - Completed
    - o Norton ASO
    - o HUM ASO
    - o Other groups (TBD)
  - Proposed gain-share model - Completed
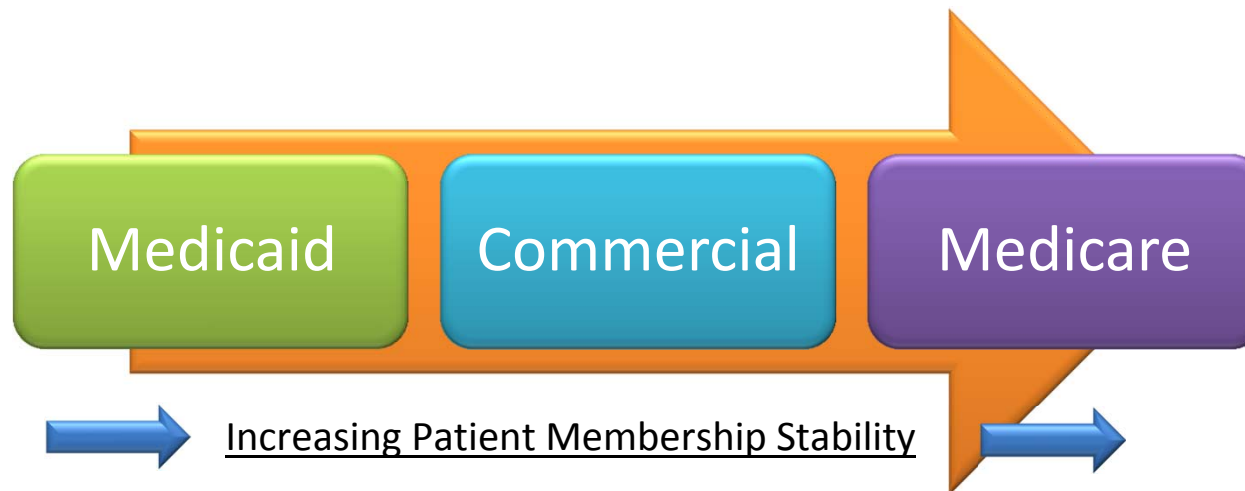
Operational Challenges

- Attribution
  - Logic must be coded and tested on population
- Measurement/Reporting
  - Health plan provides 360 view of patient movement and spending in ACO
  - Development of mutually agreeable utilization and clinical quality metrics
- Financial Modeling/Budgeting
  - Actuarial analysis for population
  - Budget targets set prospectively
- Clinical re-engineering focus
- ACO oversight and structure
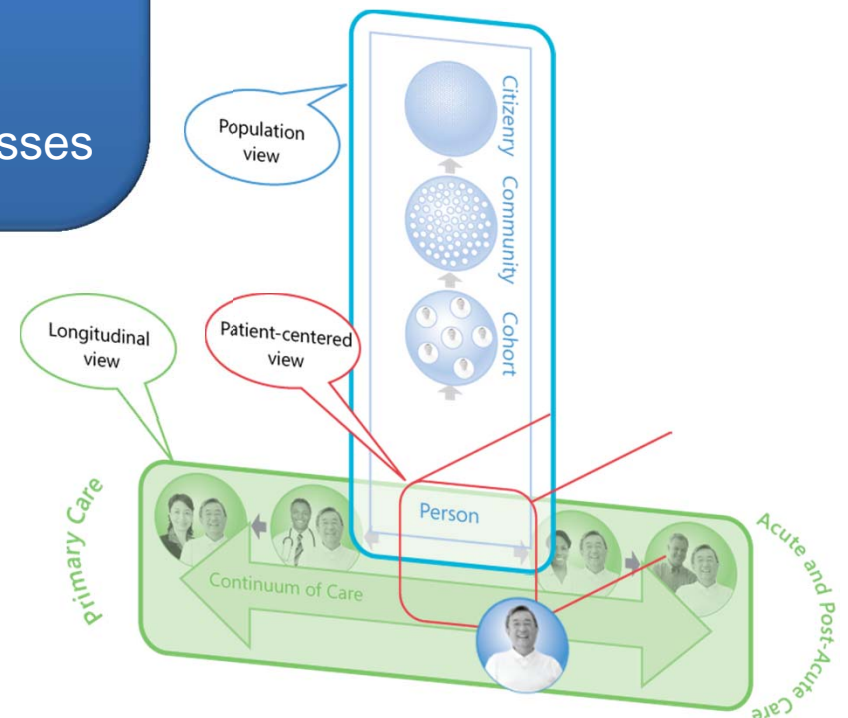- Partnerships

Population Attribution Model

- **Attribution Model**
  - Assign patient to physician within ACO
  - For each patient with 1+ visit identified, determine number of visits per physician in past 24 months
  - Assign patient to physician with preference to primary care
  - Physicians placed within one of three categories – primary care, medical specialty, and other

Medicaid   Commercial   Medicare

Increasing Patient Membership Stability

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Patient Centered Health Outcomes
Data Drives Results

- Timeliness of Data is Key

- Registry Population Management

- Actuarial Analysis

- Claims Based Data

- Patient Health Data Across Health Plans

- Clinical Analysis for Re-Engineering Processes

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Performance Measurement

- ## ACO Pilot Measure Assumptions

  - Current NHC quality infrastructure supports participation

  - All sites will collect an initial set of identical measures

  - Nationally-endorsed measures

  - Measures aligned with other national programs

  - Claims-based measures comprise majority of year 1

  - Measures of continuum of care will be core of measures in the long-term

Financial Modeling – Shared Savings

Negotiable items for discussion:

- Contractual simplicity is key
- Attribution
- Determining the cost trend factor
- Adjusting for the impact of other wellness programs
- Adjusting for the impact of changes in benefit design
- Accounting for high-cost outliers
- Measure Projected Cost
- Risk Corridor
- Negotiate "Shared Savings" percentage

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Clinical Re-engineering

- Improved care coordination and communication

- Improved access – physician extenders – email – phone call etc.

- Prevention and early diagnosis

- ED and Immediate Care Center visits

- Increase generic medication utilization

- Hospital re-admissions and multiple ED visits

- Improved management of complex patients

Community Engagement and Partnerships

- Partnerships – home health, long term care, rehabilitation service

  — Flexibility to choose quality and efficient partners is key for regulation

- Community Health Department

- Social services organizations and agencies

- Eventually engage in determining which measures move community health to maximize population management

Norton Long Term Success Factors

- Perception of ACO development
- Patient engagement and activation
- Provider Culture change
- Consistent communication
- Innovation in data exchange
  - Reporting Package
- A system that is easier for the provider and payer
- Flexibility is key to success

Questions?