Accountable Care Organizations: Applied Lessons

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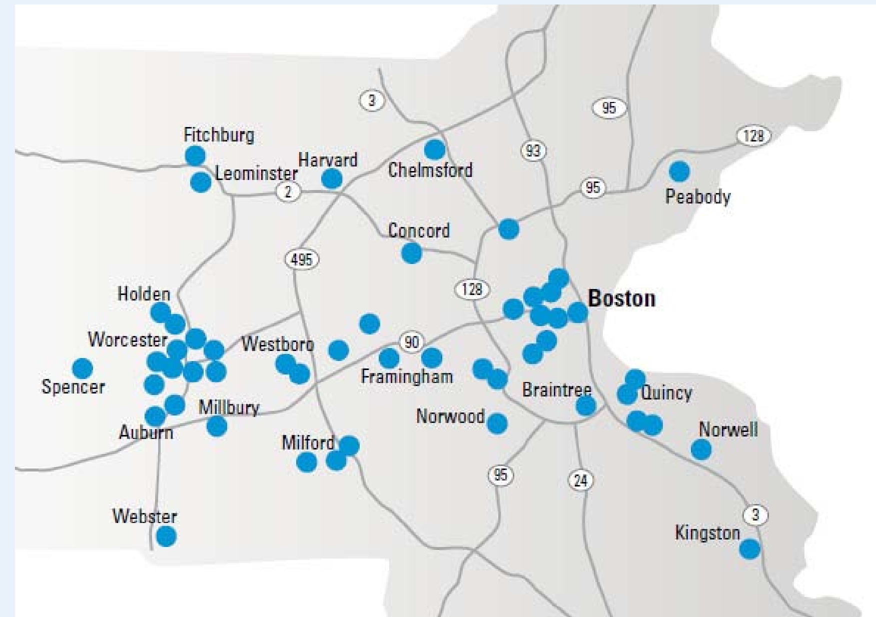
- Non-profit alliance of six leading independent medical groups
  - Dedham Medical Associates
  - Granite Medical Group
  - Harvard Vanguard Medical Associates
  - Reliant Medical Group
  - Southboro Medical Group
  - South Shore Medical Center
- Provide care for ~ 1,000,000 adult and pediatric patients in almost 50 ambulatory sites and 3,000,000 encounters
- 1000 physicians, 1450 other healthcare professionals across more than 35 specialties



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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

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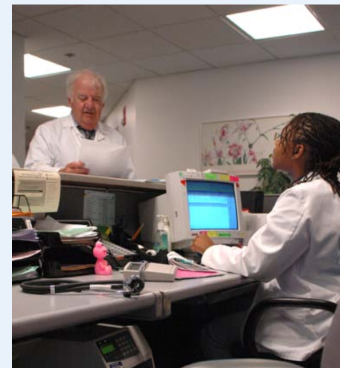
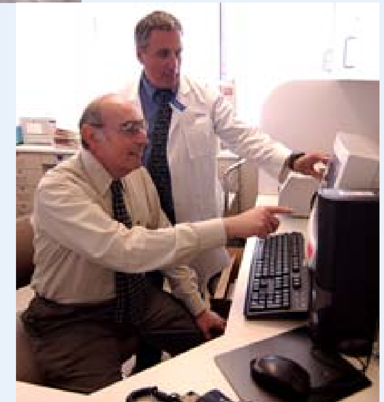
Atrius Health as an “ACO”

- Alliance established in 2004 with governance structure that matches Medicare ACO requirements
- Long history with global payments, with >75% of revenue currently from global payments across commercial, Medicare and Medicaid populations, managing risk across continuum
- One of first on BCBSMA Alternative Quality Contract
- One of 32 Medicare Pioneer ACOs





Strong infrastructure to manage risk

- 100% on Electronic Health Record
  - data warehouse has eligibility, claims and clinical information used for managing quality and cost.
  - Nearly all administrative transactions conducted electronically
  - Patient portal to communicate and expand access to 250,000 patients *MyHealth*.
  - Creating linkages to hospital partner EHR's
- 33 practices are Level 3 NCQA Patient-Centered Medical Homes
- Weekend and evening urgent care
- After hours telephone support using NPs and Pas
- Clinical pharmacy program
- Chronic disease management programs
- Many years experience with Pay-for-Performance (P4P)
  - Top performer on Massachusetts Health Quality Partners quality ratings
  - Over $20m at risk annually based on Blue Cross AQC performance

Payment Systems – Global Payment

- A "*per member per month*" (pmpm) payment made by the health plan
  - made on a monthly basis for members that have selected an Atrius Health PCP
  - happens whether or not we have provided services
  - typical Commercial "gross" capitation is @ $400 pmpm, Medicare $900 pmpm and Medicaid $350pmpm
    - typical Commercial "net" capitation payment is 40% of the gross capitation payment, Medicare is closer to 30%
    - remaining 60% - 70% is kept by the health plan and paid out on our behalf to outside providers as services are delivered.
- Atrius Health global payments are adjusted for the specific patient population that has selected our PCP's

Payment Systems – Global Payment

- What do global payments cover?
  - "gross" capitation revenue is intended to cover all "Covered" services, whether these services are provided by Atrius Health or outside.
  - nearly all services are included - Inpatient and outpatient hospital services, rehab and SNF, emergency room, primary and specialty care as well as pharmacy and ancillary services
    - Outside providers are paid according to their contracts with the health plans.
  - so what's not included? behavioral health, some vision services and out of area services may be carved-out by the health plan
    - If we provide these services we are paid on a fee for service basis.
- Generally accept 100% of the risk for all services included
  - we purchase outside reinsurance to protect ourselves against individual catastrophic or high cost cases.

What made BCBSMA Alternative Quality Contract different for Atrius Health?

- Accountability for quality and resource use across full care continuum
  - Long-term (5-years)
  - Annual inflation tied to Consumer Price Index

- Improved quality, safety & outcomes as compared with traditional Pay-for-Performance
  - Robust performance measure set (60+ measures) creates accountability for quality, safety & outcomes across continuum and over time
  - Substantial financial incentives for high performance

Experience with AQC helped us step up our game

- 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

Challenges Addressed with AQC

- Change has to apply across practice and not for single population
- Cannot manage centrally; move to shift decision making to local sites
  - Site councils
  - Leadership Academy
  - Lean
- Meaningful communication with each primary care practice about their performance, Quality Improvement Council to share best practices
- Adaptive change, not technical change
- Moved from gate 2.7 to expected 3.4 to date

BCBSMA reports that AQC is significantly improving quality across network

- Year-1 improvements in the quality were greater than any one-year change seen previously in our provider network
  - Every AQC organization showed significant improvement on the clinical quality measures, including several dozen clinical process and outcomes measures
  - AQC groups exhibited exceptionally high performance for all clinical outcome measures with *more than half approaching or meeting the maximum performance target* on measures of diabetes and cardiovascular care
  - There were no significant changes in AQC groups' performance on patient care experience measures overall
- Year-2 showed continued significant quality improvements among AQC groups relative to others
  - Some groups are nearing performance levels believed to be best achievable for a population

Source: BCBSMA Presentation to AHRQ CVE 1/31/12

Governor Introduces Legislation in February 2011

- Encourages the formation of ACOs; aims to expand the use of alternative payment methods and significantly reduce fee-for-service payments by the end of 2015;
- Requires that an ACO
  - be certified by the Division of Health Care Finance and Policy (DHCFP)
  - with financial oversight by the Division of Insurance (DOI)
  - directs DHCFP to standardize alternative payment methodologies
- Ensures transparency of payer and provider costs, provider payments, clinical outcomes, quality measures
- DOI examines carrier contracts based on provider rate increases

Governor visits Atrius Health in March 2011

Legislators now developing their own bill(s)

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Moving beyond our traditional "ACO" contracts

	HMO-based ACO	PPO-based ACO
Link patient to primary care provider	Patient must choose	Formula based on prior choices
Referrals required	YES	NO
Manage care across continuum	YES	YES
Utilization and cost data	YES	YES
Quality measures: process & outcomes	YES	YES
Care program development	YES	YES
Population health management	YES	YES
Manage a budget	YES	YES
Risk for savings/loss	YES	YES

Medicare Pioneer ACO is our first PPO-based ACO

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Atrius Health perspective in 2012

- Healthcare cost reduction is required to prevent chaos
- Unless costs are controlled quickly through improvement efforts, quality will suffer.
- Legislative action likely to achieve better usage of health dollars
  - Medicare ACO Programs
  - Massachusetts legislation: ACOs, Prices
- Physician ‘job doability’ is still a problem
- Primary care workforce shortage is coming
- Patient experience will be key to growth
- Local market beginning to address these issues; AQC has been a driving force

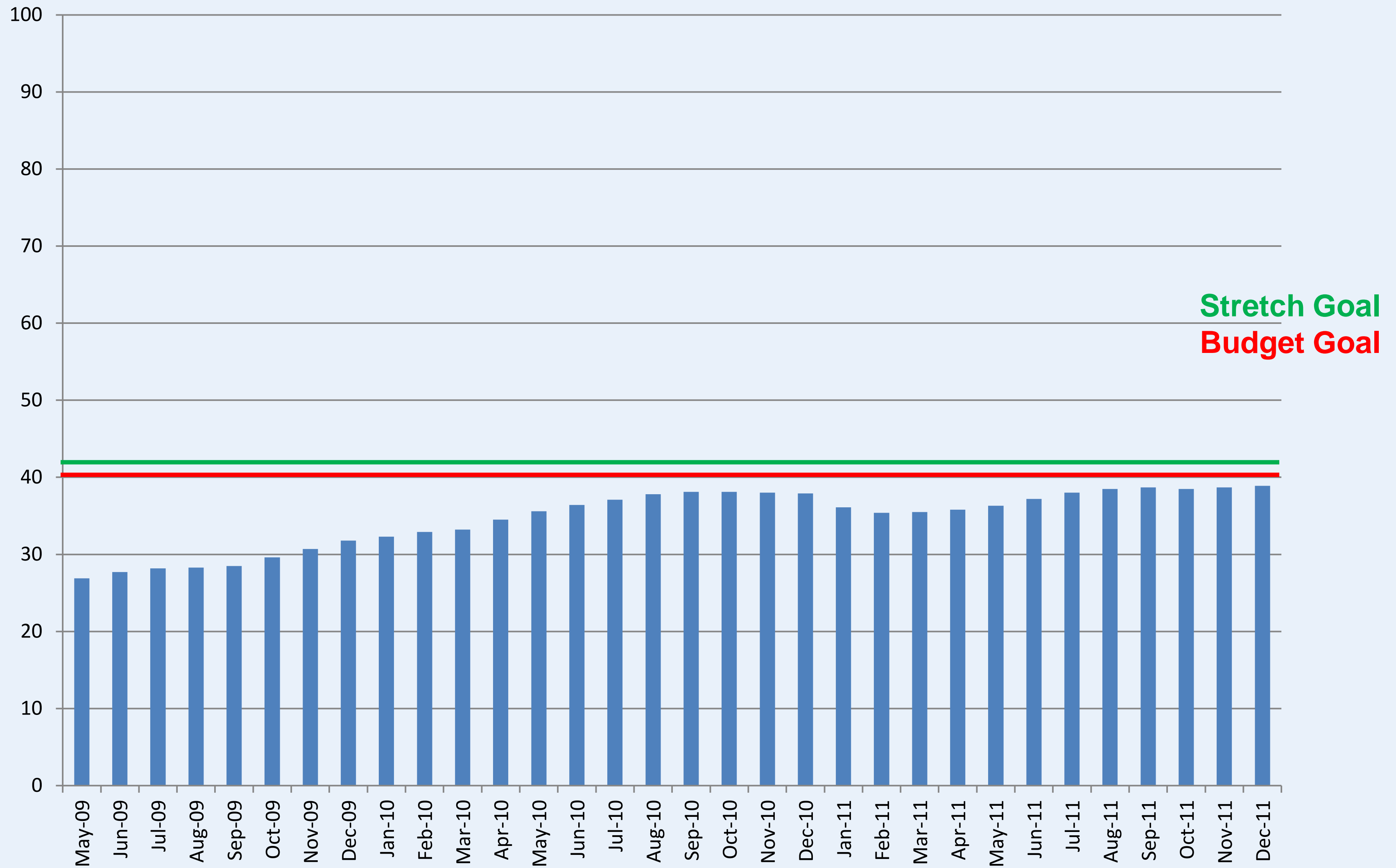
Atrius Health ACO Strategies

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

Recent Consolidations and Partnerships support our coordination of care across the continuum

- Primary tertiary and urban partner: Beth Israel Deaconess Medical Center
- Renewed relationship with Children's Hospital Boston
- Clinical affiliations with New England Baptist Hospital, Dana Farber Cancer Institute, Mass Eye and Ear Institute
- Preferred provider relationship VNA Care Network
- Developing relationships with other Pioneer ACOs to collaborate on care

Diabetes Composite Outcome Measure
December, 2011 (rolling 12 months of data)



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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