

What Will It Take for ACOs to Succeed?

The Importance of the Physician Culture

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Six “Cultural” Elements Essential to Successful Physician Engagement

- A Common Vision and Sense of Purpose
- Trusted Governance
- Effective Physician Leadership
- An Effective Management Structure
- Balanced Shared Incentives
- A Sense of Practice “Sustainability”

A Common Vision and Sense of Purpose

- It should be more than a financial interest
- It should connect to quality of care and other social and professional values
- It should contain a sense of common destiny and a belief in shared responsibility the quality of care and total cost of care for the population served

Trusted “Governance”

- Principled
- Permanent
- Participatory
- Perceived as equitable

Effective Physician Leadership

- Multi-level
- Multi-knowledgeable
- Early identification, training and development
- Supported by “followership”, based upon proper selection of and continued support of physician leaders

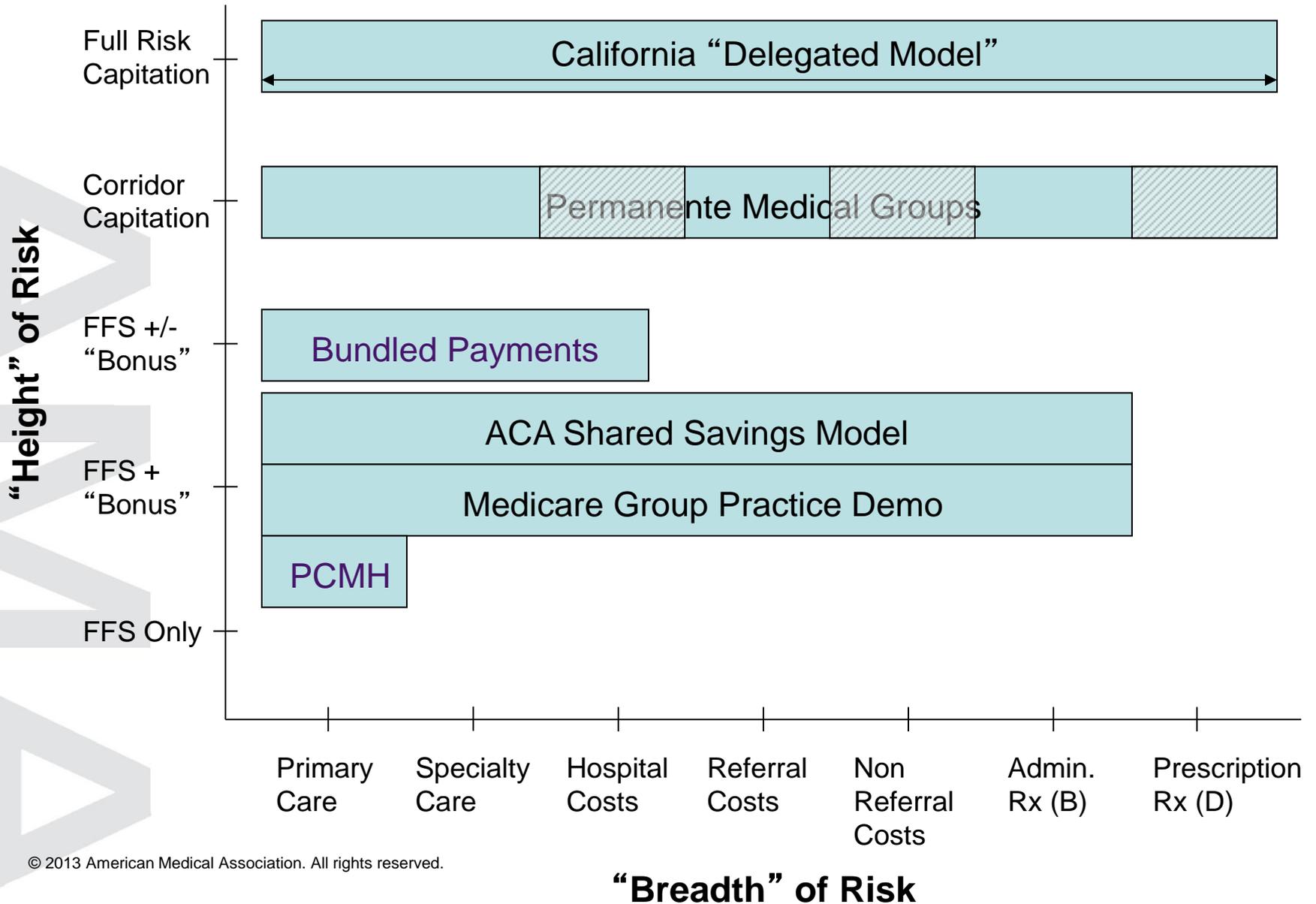
An Effective Management Structure

- Multi-level
- Cross-specialty collective responsibility
- Matrixed (administrative and clinical)
- Supported by accurate and timely data
- Persistently focused on quality and affordability, both individual and enterprise

Balanced Shared Incentives

- Quality
- Care experience
- Affordability
- Financial

A Schematic of ACO Risk Assumption



Physician Practice Sustainability- ”disturbances in the field”

- Work load increases
- Administrative complexity
- Scarcity of investible capital
- Pressure to seek hospital employment
- Worries about patient care quality due to reduced time with patients

Physician Practice Sustainability



AMA's goal is to identify, support, and grow the models of care delivery and payment that promote the long-term sustainability of and satisfaction with medical practice, and lead to improvement in the cost and quality of American health care.

Advisory Panel

- **John E. Billi, M.D.**
University of Michigan
- **Lawrence Casalino, M.D. Ph.D.**
Cornell Medical College
- **Carolyn M. Clancy, M.D.**
AHRQ
- **Francis J. Crosson, M.D.**
AMA
- **Thomas J. Curry**
WMSA
- **Edward G. Murphy, M.D.**
TowerBrook Capital Adv.
- **Richard E. Wesslund**
BDC Advisors
- **Nicholas Wolter, M.D.**
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AMA-Rand Health Field Study Is Identifying Factors Leading to Physician Practice Sustainability

- Rand Health is creating a body of information on the key physician practice satisfaction and sustainability influencers:
 - Based on these findings, AMA will develop recommended models of sustainable physician practice and improved physician-payer and physician-hospital relationships
 - AMA will disseminate these models and act to promote their broad adoption

