…Today

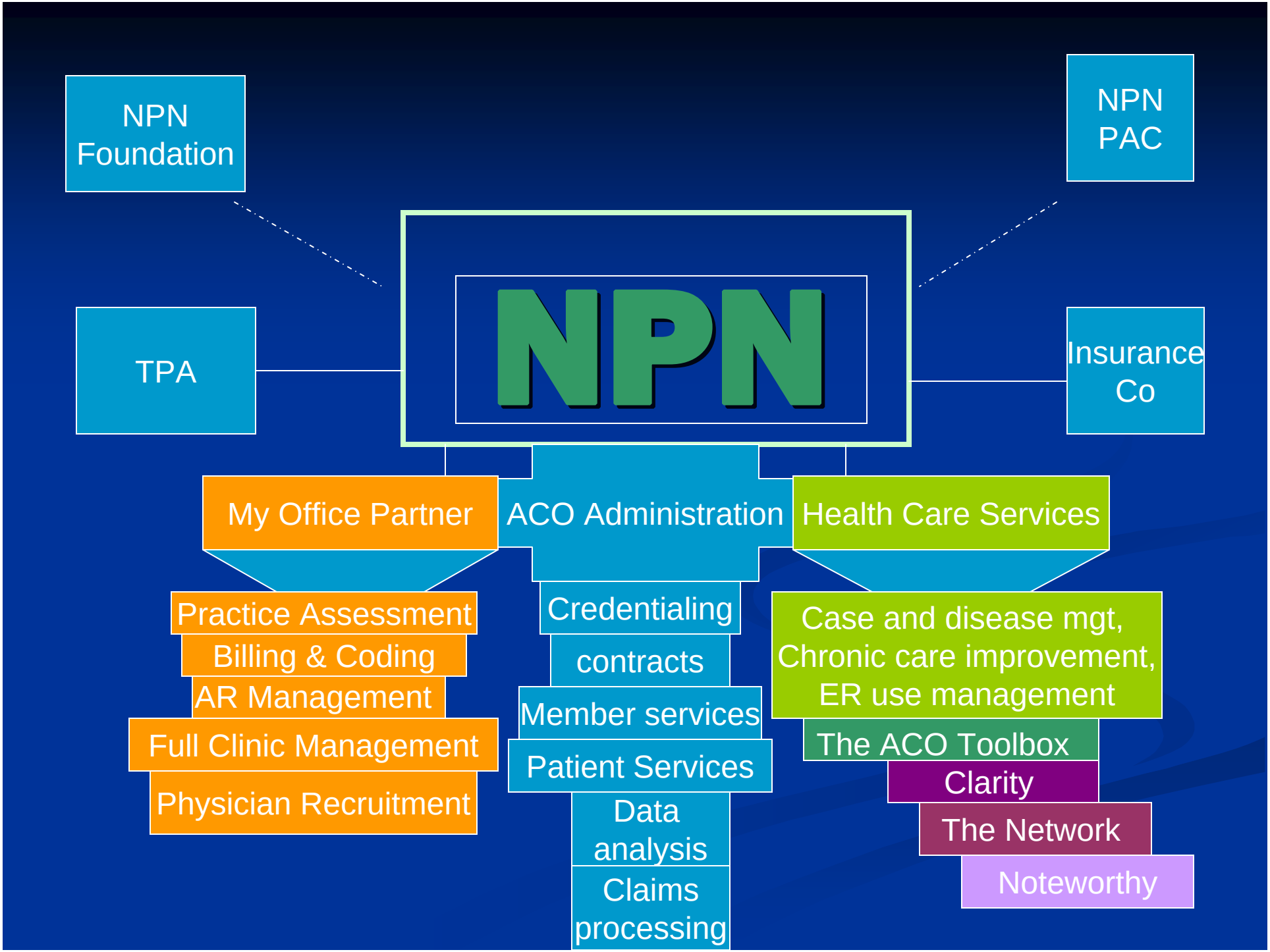
…Tomorrow

Model for a Virtual ACO

An Emerging Primary care Based Multi-specialty Virtual ACO

Responding to Need

- Small practices operate in isolation
- Can't compete with hospital-based delivery systems on technology and access to capital
- Administrative burden is crushing
- Office staff often lacks the formal training to stay ahead of rapid changes in industry
- Erosion of specialists' referral base is real


NPN Foundation
NPN PAC
NPN
TPA
Insurance Co
My Office Partner
ACO Administration
Health Care Services
Practice Assessment
Billing & Coding
AR Management
Full Clinic Management
Physician Recruitment
Credentialing
contracts
Member services
Patient Services
Data analysis
Claims processing
Case and disease mgt, Chronic care improvement, ER use management
The ACO Toolbox
Clarity
The Network
Noteworthy

NPN Today

Independent Practice Association

- Managed Care Company (LLC)
  - Northwest Physicians Network (450 providers)
    - 110 PCP, 340 specialists of 34 types
- Third party Administrator (DBA)
  - BenefitMD (manages self-insured employers)
- Practice Operations Improvement (LLC)
  - MyOfficePartner (serving smaller clinics)
- Web-based care coordination platform (501c3)
  - The Network (2,000 clinic staff; 3,000 patients in registries)
- Foundation (501c3)
  - Northwest Physicians Health Foundation (promoting community health)

NPN's Core Competencies

- Administrative
  - Contracting expertise
  - Credentialing
  - EDI claims submission, adjudication and claims payment
  - Physician and patient services
  - Analytics (predictive modeling, UM analysis); aggregate reporting
- Clinical
  - UM, DM, CM and QI team: chronic care improvement, practice redesign, PM and EMR training and implementation
  - Clinical intervention design and deployment
- Web Based HIT
  - HIE, complete EHR, eRx, registries, care coordination service

System Level Performance Today

2000-2001 (baseline)	NPN =	WA
2008-2009	NPN	WA
Childhood Immunizations <=2	75.1%	68.0%
Diabetic Retinal Exam	56.8	50.7
HgA1c completed <= 12 mo.	84.9	76.0
LDL-C Screening – CAD/diabetes	81.2	76.3
Anti-depressant med mgt.	46.7	39.0
Appropriate asthma meds	100.0	88.9
Utilization (Medicare)	(per 1,000)	
ER visits	204.9	292.0
Inpatient days	1116.0	1378.0

Tomorrow:
Physician Participation!

Working For…

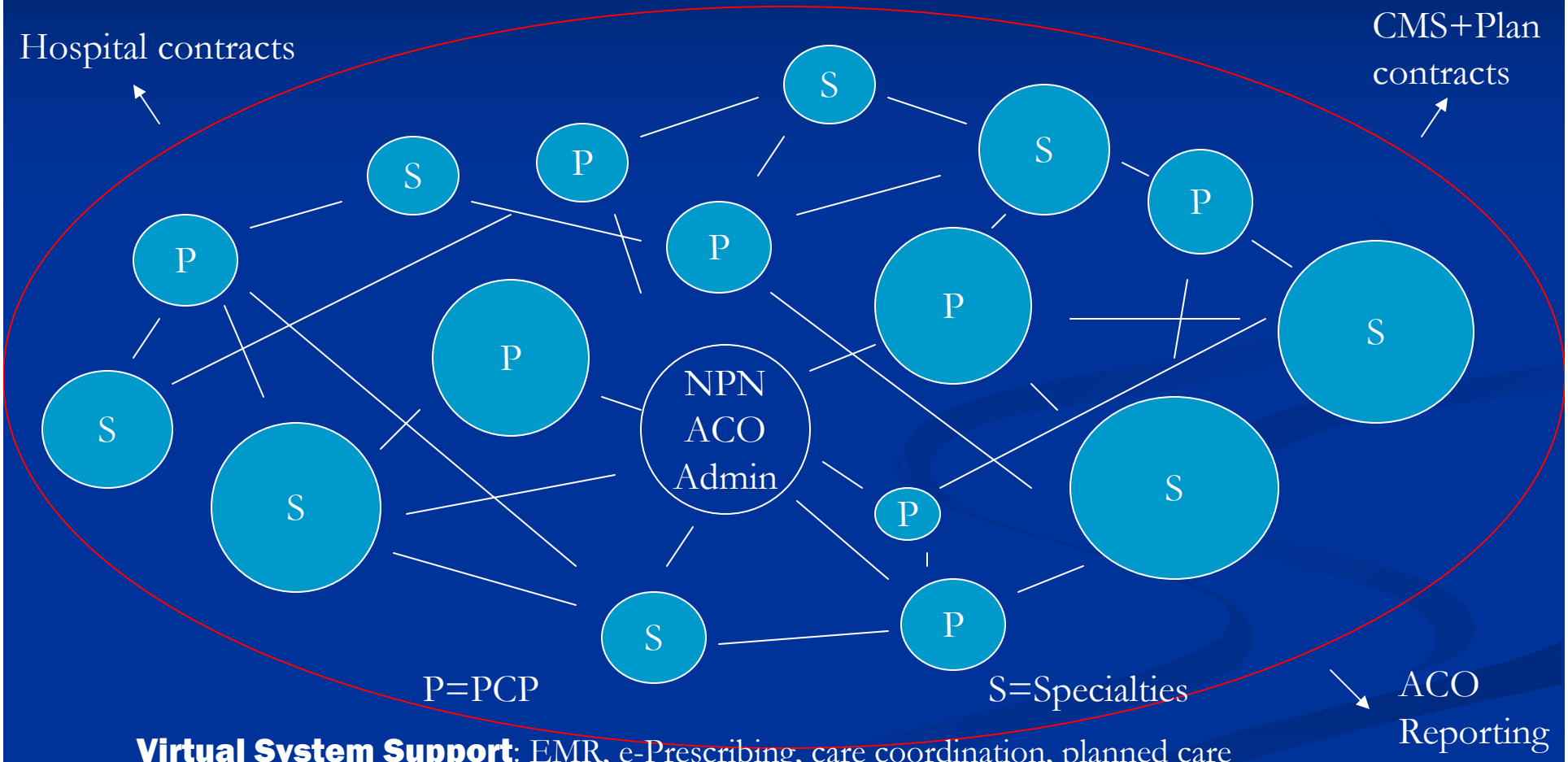
- Real survival threat for private practices
- Options are limited
- A connected community of independent physicians is appealing to both PCPs and specialists
- Specialists are feeling the market squeeze as much as PCPs
- Physicians value a system of care designed and led by physicians

Working Against…

- A feline profession ☺
- Reimbursement reform lags mobilization of delivery change
- Capitalization is tough: small practices are cash poor
- Smaller practices have many operational gaps to fill
- The natural leaders are closest to retirement

NPN Virtual ACO ~ 2011

Independent Practices linked by e-tools on the Web

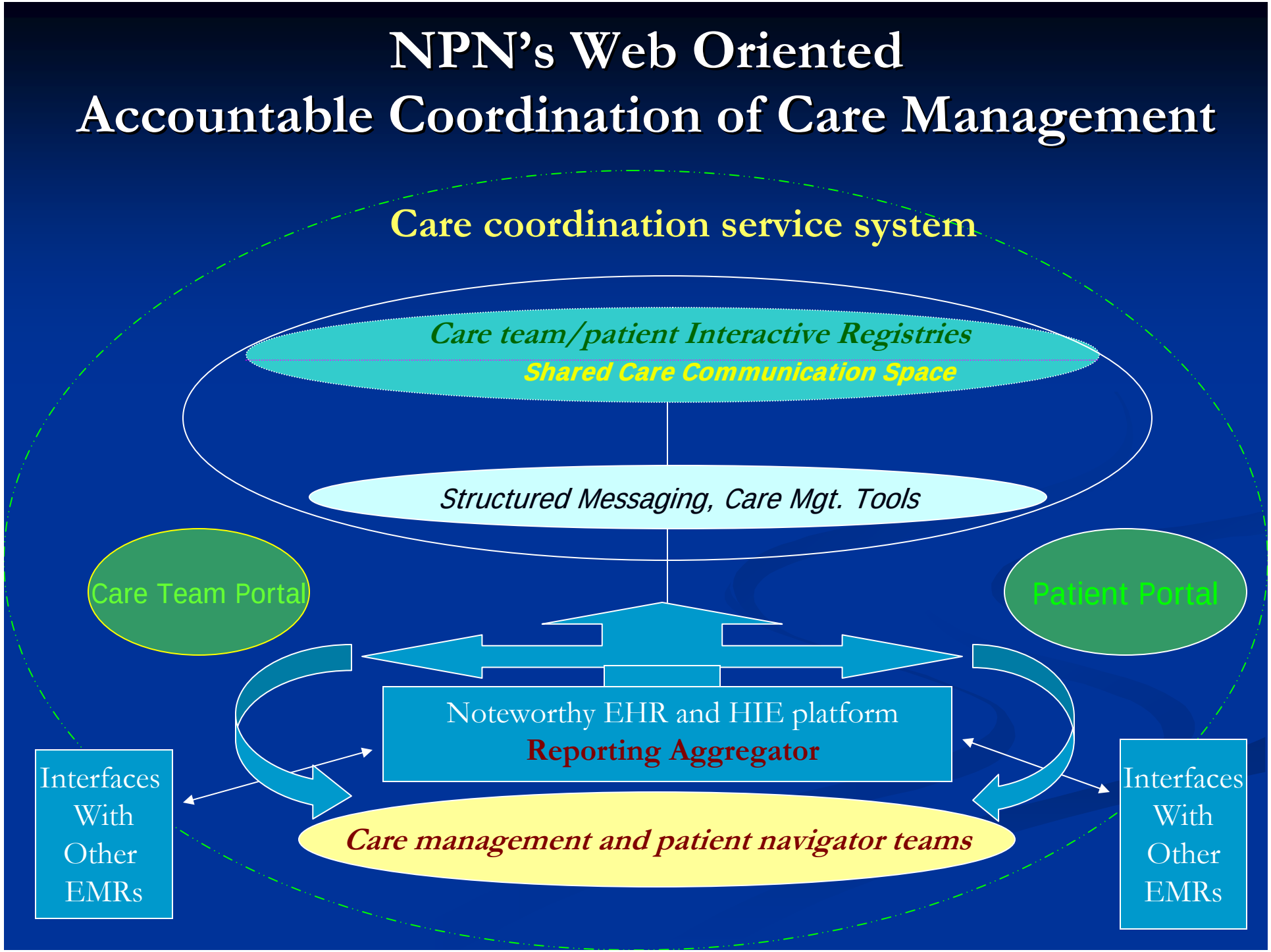


Virtual System Support: EMR, e-Prescribing, care coordination, planned care

On site System Support: Practice redesign, total Office support.

Value: PCPs = Medical Home capacity, better reimbursement; Specialists: better referrals, communication, reduced overhead.

NPN's Web Oriented Accountable Coordination of Care Management



ACO Opportunities

- Develop a physician-designed and led delivery system based on a culture of actively managed, accountable care
- Preserve the best elements of the private practice of medicine while incorporating the best features of a shared system of coordinated patient care.

Barriers to Success: Organizational

- Business model = uncharted territory
- Speed of scaling
  - Physician leadership in its infancy
  - Number of physician participants to start
  - Complexity of PCP-Specialty mix

Barriers to Success: Local Market

- Timing of significant payment reform to enable building PCP medical home capacity
- History of contentious contracting with hospitals due to unaligned financial incentives

Barriers to Success: State

- Inadequately funded Medicaid program
- Phenomenon of state level IT initiatives dictating the shape of accountability which may not result in meaningful care system improvement

Barriers to Success: Federal

- HIT directives may thwart real clinical improvement gains [getting to meaningful use is a progression]
- Inadequate policies that motivate private physicians to aggregate and collaborate
- Continuance of "favored nation" reimbursement policies toward hospital systems
- Insufficient criteria for defining what makes an ACO accountable for improving the *process* of care (affecting safety, reliability, evidence)
- Failure to actualize HIPAA Transaction and Code set rules, compounded by ICD-10 deployment

Moving Beyond Hope:
ACO Requirements for Controlling Cost, Improving Process and Achieving Desired Outcomes

- A "managed care" culture
  - At the level of nurse-directed patient care coordination and management
- Vendor-neutral HIT focus
  - Build from a shared minimal data set approach
- Clinically meaningful, real time patient level care coordination across the entire medical community (inter/intra ACO)
- Shared responsibility for all patient care within the ACO boundaries; well articulated responsibilities across the ACO boundaries

"The System is a Mess" Together We Can Fix it if we…

- Foster effective leadership out of the current morass of political wrangling
- Insist on rational discourse and negotiation with documented facts
- Promote broad system solutions that meet the needs of the population, not professional or financial self interest