Accountable Care Organizations—Pragmatic Issues

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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
Healthcare Accountability and Value

Accountability Requires a Team

Patient

Payer/Employer

Provider
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)
Brookings-Dartmouth ACO Pilot

- Norton / HUM ACO pilot is only 1 of 4 early sanctioned by Brookings-Dartmouth
  - Others include:
    - Roanoke, VA: Carillion & Anthem
    - Tucson, AZ: University Medical Center & United
    - 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**
    - Norton ASO
    - HUM ASO
    - 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

[Diagram showing Medicaid, Commercial, Medicare, and increasing patient membership stability]
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
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
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