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)
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
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
Questions?