About Health Directions

• Founded in 1985 as a Management Services Organization (‘MSO’) for a South Chicago health system

• Evolved into a national provider of consulting services to hospital systems and affiliated medical groups
  – Revenue cycle management
  – Hospital/physician strategy development
  – Technology selection, implementation and optimization
  – Clinical Integration and ACO strategy development
Today’s Agenda

• The ‘Why’ and ‘What’ of accountable care
• Important shifts
• Role of Primary Care and EHR Use
• The Importance of Clinical Integration
• The Importance of Culture and Role Change
• Opportunities and Challenges (Are you ready?)
What is an ACO and how does it work?
Why Accountable Care?

The healthcare basin is overflowing...

...and we can’t afford a bigger basin.
Reimbursement Models

• Primarily models for ACOs are shared savings, performance based or comprehensive care (global payment)

• Managing “Risk” is a driving force behind ACO reimbursement models
What is Accountable Care?

A healthcare delivery and reimbursement system that focuses on

- **Value**, not fees
- Transferring care related ‘risk’ from insurers **to providers**
The Value Equation

VALUE = \frac{\text{Quality} + \text{Service}}{\text{Cost}}

Only two options to increase value.

1. MORE Quality + Service at same Cost
2. Same Quality + Service at LESS Cost
Reimbursement Shift
LESS COST - Shared Savings Concept

Shared Losses

Scenario 1:
Actual Cost of Care is Higher Than Benchmark

Benchmark

Scenario 2:
Actual Cost of Care is Lower Than Benchmark

Shared Savings
Accountable Care is Not. . .

A way to make more money.
MORE QUALITY = 33 Quality Measures

A **multiplier** is applied to the shared savings based on how well the ACO performs on **33 quality measures**.
## Shared Savings Example End Result

<table>
<thead>
<tr>
<th>Spending Benchmark</th>
<th>Actual Cost of Care</th>
<th>Gross Shared Savings</th>
<th>Quality Score</th>
<th>Net Savings Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000</td>
<td>$400,000</td>
<td>$100,000</td>
<td>88%</td>
<td>$44,000</td>
</tr>
</tbody>
</table>
Easing In... 

For the first performance year, CMS is defining the quality performance standard at the level of complete and accurate reporting for all quality measures.
Cost Factors

- Hospital Admissions
- Tests & Procedures
- Medications & Treatments
Solution?

Better Management & Preventive Care

Hospital Admissions

Tests & Procedures

Medications & Treatments
Milken Institute’s Avoidable Cost Projections

Cost Avoidance Methods

- Early detection of disease
- Management of existing disease
- Appropriate follow-up of test results
- Preventing negative drug interactions
- Making previous test results available to all clinicians
- Wellness education

Quality Measures

33 Measures...

- 22 focus on management and prevention
- 7 focus on patient satisfaction
- 3 focus on hospital admissions
- 1 focuses on meaningful use for EHR
How Quality is Improved

- Post Acute Transitions
- Proactive Care Gap Management
- Higher level of PCP involvement
- Telemedicine & Home Care
- Overall focus on:
  - Disease prevention
  - Disease management
  - Reducing overutilization (hospital, procedural, Rx)
Care Delivery Shift

Response

Prevention
The Role of Primary Care & EHR Use
Without **good information**, none of this would be possible.

It could be said that **data is the fuel** and **HIT systems are the pipeline** for Accountable Care.
Claims vs Clinical Data

Claims Data is the single source for the big picture of the patient for all points of care
- Diagnoses
- Services/Procedures
- Medications

Clinical Data fills in the blanks re: patient condition
- Vitals
- Lab values
- Test data
ACO Quality Measures

33 Measures...

- 22 focus on **management and prevention**
- 7 focus on **patient satisfaction**
- 3 focus on **hospital admissions**
- 1 focuses on **meaningful use for EHR**
Example: Quality Measure Data

*Measure 14: Influenza Immunization

Data Capture Frequency

• Only if visit during flu season THEN At least once per flu season

Reporting Data

• Administered on this visit?
• Previously received?
• Ordered but not administered on this visit?
• NOT administered for documented reason?
• NOT administered for undocumented reason?

*According to PQRS (Physician Quality Reporting System) specifications.
Issues

Final ACO Quality Reporting technical specifications are not published

Collecting ACO quality measures WILL affect productivity

EHR Vendor’s method for capturing quality measures may not be the most efficient

Custom data capture and extracts might be used to allow more efficient workflow
Opportunities

Get ahead of the curve by starting to measure now

Use metrics to build improvement programs

Emphasize what you are good at and leverage it with payers or health systems
Data Shift

Data is a By Product

Data is the Fuel
The Importance of Clinical Integration
If a patient spends 2 hours/year in your office, this is the percentage of time they are NOT in your office.
Clinical Integration

Manage Continuum of Care
(Individual Patient)

Manage Cost and Quality
(Population)

Identify & Share

Non Clinical Data

Clinical Data

Point of Care

Point of Care

Point of Care

Payer Data

Health Directions
Outreach Interventions

Clinical Data Repository → Patients with Care Gap(s) → What Type of Care Gap(s)

1. Automated Reminder/Notice
2. Scheduler Intervention
3. Nurse/Clinical Intervention

Intervention Programs
Changing Culture and Roles
Independent Organizations / Individualized Goals

Siloed, Uncoordinated Care
...to shared systems with a single goal.
Sharing and Interdependence
Cultural Shift

Independence

Interdependence
Changing Roles of Physicians

- Physicians are being asked to do more things.
- Physicians are being asked to do new things.
- Physicians have an opportunity to leverage automation, their staff and themselves.
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### Today
Cost = $150

- Specialty/Inpatient: $85
- PCP: $50
- Nurse: $10
- Automation: $5

### Future
Cost = $120

- Specialty/Inpatient: $30
- PCP: $60
- Nurse: $20
- Automation: $10

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**Services Bundle**

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**Same Quality + Service at LESS Cost**
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Same Quality + Service at LESS Cost
Role Shift

Underutilized Expertise

Maximized Expertise
How Changing Roles Affects Physicians

• Opportunity for nurses and mid level clinical staff to take on new challenges

• Opportunity to increase job satisfaction and retention

• Challenge for physicians to delegate

• Opportunity to start doing new things that haven’t been done before
Opportunities & Challenges
Challenges?

- Multi-stakeholder governance required
- Privacy and data sharing
- Vendors are not technically ready
- IT vendor cooperation
- Cost distribution/sustainability
Opportunities?

• To do it now before it’s done to us
• To be more competitive / gain market share
• To be a pioneer and have a say in the future
• To be more attractive to a larger organization
• To do the right things for the patients
Are You Ready?
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