

Session VIII. How will health reform improve quality and increase access?

**No easy answers: but lots we can do**

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# Achieving Accountable Care

Some thoughts

**Early ACO initiatives: what are we learning?**

**Moving forward on accountable care**

**Filling a key gap – advancing measurement**

# Early ACO initiatives

What are we learning?

## **Aim: develop an evaluation framework for ACO implementation**

*How would we recommend that evaluation efforts be structured to support rapid learning in order to guide CMS, other payers and providers?*

## **Approach**

- Reviewed recent research on organizational determinants of performance
- Convened others working on these issues
- Developed initial logic model clarifying potential mechanisms and contexts
- Conducted in-depth site visits with Brookings-Dartmouth pilot sites
- Revised our thinking

## **Participants**

- Eugene Nelson, Steve Shortell, Elliott Fisher
- Bridget Larson, Aricca Van Citters, Frances Wu, Sara Kriendler
- Brookings-Dartmouth pilot sites

# Brookings-Dartmouth Pilot Sites

## Monarch HealthCare

*Irvine, California (serves Orange County)*

- Org Type: Medical Group and IPA
- **Payer Partner: Anthem Blue Cross**
- ACO Status: Letter of Agreement signed 01/11, patients attributed, payer partners are sharing data, preparing to report on tarter-set measures
- Size: > 497 PCPs  
>2,500 contracted, independent physicians

## HealthCare Partners

*Torrance, California (serves LA County)*

- Org Type: Medical Group and IPA
- **Payer Partner: Anthem Blue Cross**
- ACO Status: Patients attributed, Finalizing Letter of Agreement, preparing to report on starter-set measures
- Size: >1,200 employed and affiliated PCPs  
>3,000 employed and contracted specialists

## Tucson Medical Center

*Tucson, Arizona*

- Org Type: Hospital System and affiliated practices
- **Payer Partner: United Health Care**
- ACO Status: Finalizing Letter of Agreements for Medicare Advantage and PPO populations retro-active to 01/11, Patients attributed, will report on starter set data pending finalized Agreement.
- Size: ~80 providers  
10,000 Medicare patients assigned

## Norton Healthcare

*Louisville, KY*

- Org Type: Integrated Delivery System
- **Payer Partner: Humana**
- ACO Status: Letters of agreement signed, Patients attributed, starter set data collected and will be reported pending finalizations of all agreements.
- Size: ~400 Providers  
30,000 Medicare Patients Assigned



# Early ACO initiatives

## Key Insights

### **Obvious:**

Multiple “mechanisms” will be important; local context matters  
Measuring impact of ACO itself will be critical – and difficult

### **Less so:**

*Accountable Care is an ongoing process (not an on-off switch)*  
*ACOs best seen as a partnership between payer and provider*

# Early ACO initiatives

## Implications

### **Implications:**

#### **May help us understand provider responses to CMS proposed rule**

Few (none?) would sign on to current regulations

Too burdensome; too many measures

High up-front costs, small returns, required to bear risk in year 3

(1) Uncertainty about potential to succeed

(2) They have a better choice (in current confusion)

#### **What is their currently perceived choice?**

Commit to join CMS ACO program now (an “on-off” switch)

Work with single, flexible local payer; wait for a better CMS deal

### **Reduce uncertainty; reframe their choice**

# We need a map

Providers need to see a clear path forward

## **Clarity from CMS on new opportunities and expectations**

New payment models and how they are likely to evolve

- Medical home
- Episode payments (readmissions)
- Accountable Care Organizations

A common – and advancing-- set of performance measures

Flexibility? A waiver process to allow existing systems to “fit”

## **Alignment – to extent possible – with private payers**

A coherent and shared definition of permissible organizational forms

A core set of performance measures

Aligned incentives

## **Technical support – for providers, payers, communities**

### ***Clear thinking about choices***

For early participants (who will help us learn): bigger rewards

For those who want to remain unaccountable: decreasing comfort

# Early ACO initiatives

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