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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