

Accountable Care Organizations

Key Characteristics and Activities

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The Question

What are the organizational characteristics and activities we should expect to see in Accountable Care Organizations?



The Insight

Physicians need hospitals; hospitals need physicians. And, most of all, patients need their providers to work together.

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Some Sources of Evidence and Ideas

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Nine Leading US Physician Organizations
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Bodenheimer T, et al.
What Are the Facilitators and Barriers in Physician Organizations' Use
of care Management Processes?
Joint Commission Journal on Quality and safety 2004,30(9):505-514

Some Sources of Evidence and Ideas

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External Incentives, Information Technology, and Organized Processes to Improve Health Care Quality for Patients with Chronic Diseases

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An Empirical Assessment of High-Performing Medical Groups: Results from a National Study,

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Casalino LP. The Federal Trade Commission,

Clinical Integration, and the Organization of Physician Practice,

J Health Politics, Policy & Law, 2006;31(3):569-85

Casalino LP

Disease Management and the Organization of Physician Practice

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Models of Accountable Care Organizations

- Merge physician practices into larger physician organizations and/or hospital systems
- *Clinically integrate* in ways that allow physician practices to work together in ways that enable them to reap many of the benefits of practicing as part of a larger group or in a hospital system

Source

Casalino LP, "The Federal Trade Commission, Clinical Integration, and the Organization of Physician Practice," *J Health Politics, Policy & Law*, 2006;31(3):569-85



Clinical Integration

- Involves providers working together in an interdependent fashion so that they can ...
 - Pool infrastructure and resources
 - Develop, implement, monitor protocols, “best practices,” and various other organized processes
 - Be accountable and rewarded for the quality and cost of care provided

Potential Benefits of Clinical Integration

- Foster collaboration to improve quality of care
- Improve quality and efficiency for independent providers
- Enable providers to perform well in Pay-for-Performance and other public reporting initiatives
- Form provider organizations responsible for an entire episode of care or population of patients
- Provide a vehicle for a hospital to work more closely with members of its medical staff
- Provide the means whereby providers can obtain greater reimbursement to cover the added costs of their efforts and which recognize the increased value of the services they offer



The Extended Hospital Medical Staff

No single approach to CI will fit all hospitals and physicians. Each effort will need to be carefully tailored to meet the needs and circumstances of the providers involved.

One proposed version of an Accountable Care Organization that could achieve clinical integration is the *Extended Hospital Medical Staff*.

Source

Fisher ES, DO Staiger, JPW Bynum, and DJ Gottlib, Creating Accountable Care Organizations: The Extended Hospital Medical Staff, *Health Affairs*, 2006, web exclusive (December 5), DOI 10.1377/hlthaff.26.1.w44



ACO Key Characteristics and Activities

- Establish and articulate goals for the CI program
- Determine the CI program's clinical approach and participants
- Develop mechanisms to monitor and control utilization of health care services and enhance quality and efficiency
- Develop an infrastructure



Establish Goals for the CI Program; Possible Goals Include

- Improving quality and consistency of care
- Reducing costs and increasing efficiency
- Speeding adoption and common use of EMRs and other IT
- Cost sharing for such improvements
- Insuring flow of patients to hospital
- Reducing cost and burden of complying with health plan requirements such as pre-certification and utilization review
- Access to expertise, data and experience in negotiating contracts
- Enhanced reimbursement for providing higher quality care and/or for controlling the overall cost of care



Determine the ACO's Approach to Clinical Integration

- Determine what clinical conditions to cover and establish clinical protocols and other organized processes for improving care

Determine the ACO's Approach to Clinical Integration

- Implement other processes and interventions designed to improve quality and efficiency
 - Credentialing and re-credentialing
 - Creation of disease registries
 - Use disease registries and other data to provide reminders for physicians and patients
 - Programs to remind healthy patients about preventive care for which they are due (e.g., mammograms, Pap smears, colon cancer screening)
 - Nurse care management for patients with serious chronic illness
 - Patient education programs
 - Facilitation of EMR acquisition and of electronic communication among physician offices and between physicians and hospitals
 - Programs to work with physician's office staff to address questions and issues regarding payer requirements such as pre-certification and utilization review
 - Supply chain management, including greater standardization of equipment, devices, prostheses, etc.



Determine which providers will be included in the ACO

- Initially permissive selection criteria
- Later tightening of standards
- Maintain a broad range of physician services and specialties



Determine which providers will be included in the ACO

- Exclusivity?
 - assures the greatest commitment of the providers to the CI program
 - increases potential antitrust concerns



Develop Mechanisms to Monitor and Control Utilization of Services and Enhance Quality and Efficiency

- *Feedback* on how their performance has changed over time, how it compares to other providers in the CI program, or how it compares to external benchmarks such as national or regional norms
- *Peer-to-peer counseling*: having a medical director or other physicians in the program review the data with physicians who do not meet expectations
- *Financial incentives* to encourage improved performance
- *Tools and processes* that help physicians improve the quality on a more efficient basis



Develop an Infrastructure

- *Paid professional staff*, including clinical and information systems personnel
- *Medical director*, ideally full time, but perhaps part-time for smaller organizations
- *Full- or part-time nurse care managers* to help coordinate the education and care of patients
- *Nurses and other professional staff* who can review medical records, collect and analyze data, and interact with physicians and their professional staff



Develop an Infrastructure

- *Information system infrastructure*, including both hardware and software
- *Provider time for participation* in working with ACO's staff and to develop understanding and support
- *Space* for office, equipment, etc.
- *Paid leadership*
- *Communication, Communication, Communication*

Now, you have an
Accountable Care Organization!