

# Guide to Accountable Care Organizations

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# Guide to Accountable Care Organizations

*Presented by the  
Healthcare Intelligence Network*



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# Guide to Accountable Care Organizations

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# 2012 Healthcare Benchmarks: Accountable Care Organizations

Second Annual Edition

*Presented by the  
Healthcare Intelligence Network*



*A publication of:  
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# 2012 Healthcare Benchmarks: Accountable Care Organizations

200 healthcare organizations discuss new activity in accountable care organizations, ACO reimbursement models, and the impact and early successes of accountable care.

*"[The greatest success achieved to date in our ACO] is improvement in clinical and financial integration."*

> **Hospital/health system**

*"Information and data to be used to drive strategy is our [most effective tool is use in our ACO]."*

> **Care management and technology company**

*"[Our greatest success achieved in our ACO] is the alignment of incentives."*

> **Health plan**

*"Case management and care stratification tools are the [most effective tools in our ACO]."*

> **Hospital/health system**



# 2012 Healthcare Benchmarks: Accountable Care Organizations

*The second annual edition of this special report is based on results from Healthcare Intelligence Network's "Accountable Care Organizations in 2012" e-survey administered in May 2012.*

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## Some Early ACO Successes

- ✓ *“Improved clinical and financial integration.”*
- ✓ *“Physician understanding and engagement.”*
- ✓ *“Higher quality and lower costs (anticipated).”*

## Some Effective ACO Tools, Workflows or Protocols

- ✓ *“Technology-provider who understands both healthcare and IT.”*
- ✓ *“Intensive case management program embedded in the primary care office is the most promising program.”*
- ✓ *“Electronic patient profile.”*
- ✓ *“Case management and care stratification tools.”*

## Methodology

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This second annual e-survey on Accountable Care Organizations was administered in May 2012 via the Healthcare Intelligence Network Web site at <http://www.hin.com>. Respondents were invited to take the survey via e-mail, e-newsletter and social networking reminders throughout the month. A total of 200 healthcare companies responded to the survey. The survey asked 34 questions on accountable care organizations, with multiple responses possible on some questions. Some questions were open-ended, inviting participants to write in their responses. Not all surveys were fully completed. Survey results were compiled by the Healthcare Intelligence Network.

A complete copy of the Accountable Care Organizations in 2012 Survey tool can be found in Appendix A.

## Respondent Demographics

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Responses to the May 2012 Accountable Care Organizations survey were submitted by 200 organizations. Of 117 respondents identifying their organization type, 19 percent were hospitals or health systems, 14 percent were health plans, 8 percent were multi-specialty physician groups, 8 percent were disease management groups, and 37 percent categorized their organization type as ‘Other.’

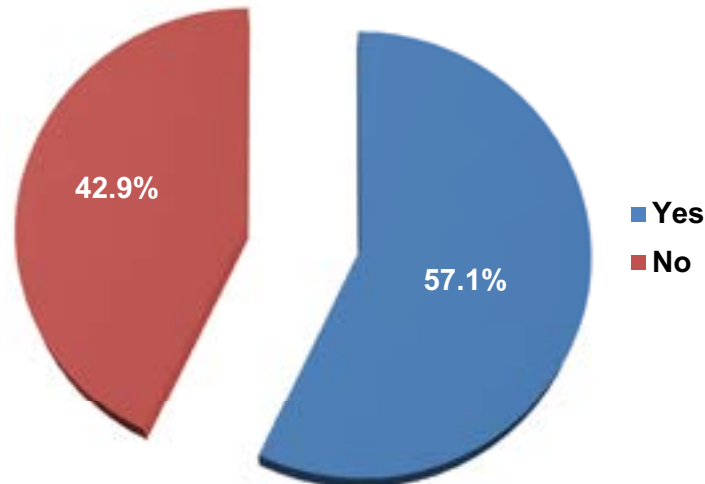


**31% of respondents say technology will be the biggest challenge of creating ACOs in the future.**

**“We are using CMS Clinical Measures in our ACO.”**

**Figure 29: Hospital - Participating in CMS's Shared Savings**

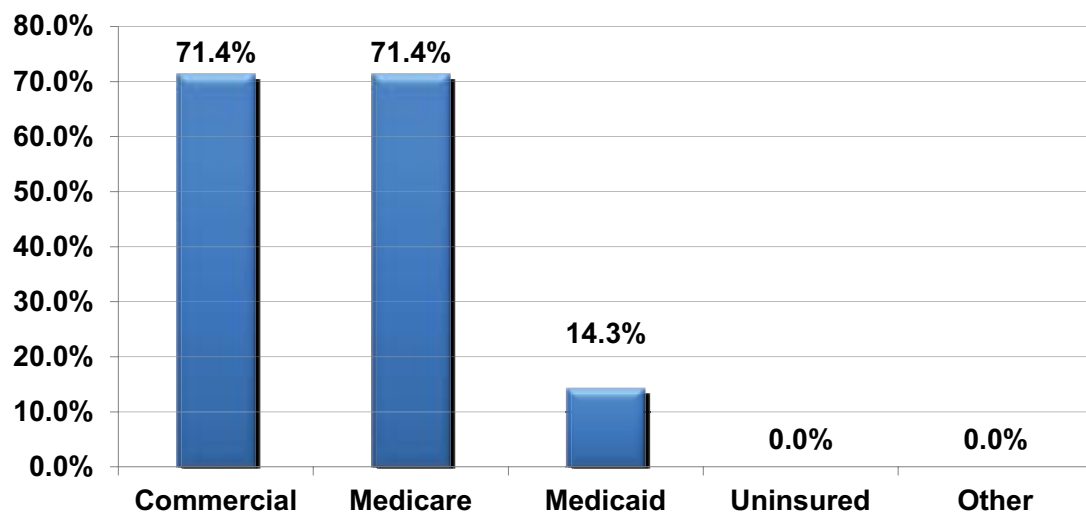
*Are you participating in CMS's new Shared Savings Program (Medicare ACO)?*



*HIN Accountable Care Organizations Survey  
May, 2012*

**Figure 30: Hospital - Participating Populations**

*Which population(s) participate in the ACO?*



*HIN Accountable Care Organizations Survey  
May, 2012*

# Blueprint for ACO Success:

## Clinical, Quality and Compliance Considerations for an Accountable Care Organization

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*This special report is based on 2010 and 2011 Healthcare Intelligence Network (HIN) webinars hosted by Melanie Matthews, HIN executive vice president and chief operating officer. This report also delivers selected metrics from the HIN February 2011 survey on Accountable Care Organizations.*

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# Blueprint for ACO Success:

## Clinical, Quality and Compliance Considerations for an Accountable Care Organization

*Built into the accountable care organization (ACO) model is a business opportunity: provide a focal point of care while attaining health and cost containment goals. However, to ensure the fiscal health of an ACO, its planners must construct a strong clinical foundation while meeting state and federal legal, regulatory and compliance requirements for ACOs.*

### Framing the ACO Through Clinical Integration of Independent Physicians

*Mark Shields, MD, is senior medical director with Advocate Physician Partners and vice president of medical management for Advocate Health Care.*

The market realities with health reform are some of the challenges that organizations face as we think about how to integrate providers and deliver a highly cost-effective, high quality, safe care model for our patients. First, large integrated multi-specialty groups are able to deliver on cost-effective, high-quality safety. However, in most marketplaces in the country, there are very few multi-specialty groups, and that is certainly true in the Chicago metropolitan area where Advocate Health Care is focused. Nine of 10 Americans get their medical care in solo or small practices, so if we are going to re-engineer the delivery system, we have to find ways to include these small practices in delivering higher quality and safer care. To do that, you need infrastructure. You have to provide resources to drive those outcomes. You need to develop a culture. That evolves over time and it is a constant work; it needs to be a constant focus of any organization.

Clinical integration (CI) of providers is essential for the agenda that has been placed for us both by the federal Patient Protection and Affordable Care Act (PPACA), as well as discussions with private payors. Whether we are moving toward bundled payments or avoiding payment denials, responding to the cost pressures or putting together a structure to be an accountable care organization (ACO), all of these require providers to be integrated and firing on all cylinders.

CI was a lead story in hospitals and health networks in 2010. That is a great thing, but also a real problem, because to truly achieve CI, it cannot be the management philosophy du jour. Clinical integration has to be something that organizations must commit to and work on over a long period of time.

# Essential Guide to Accountable Care Organizations: Challenges, Risks and Opportunities of the ACO Model

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*This special report is based on 2009 and 2010 webinars hosted by the Healthcare Intelligence Network, The Managed Care Information Center and the Managed Care Weekly Watch.*

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# ACOs: Key Trend for 2011 and Beyond

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*An accountable care organization (ACO) is an organization of healthcare providers that agrees to be accountable for the quality, cost and overall care of the individuals assigned to it.*

*Provider partnerships forged through ACOs hit many of the marks for healthcare delivery reform set forth in the Patient Protection and Affordability Act (PPACA) and offer a key opportunity to boost revenue. With CMS set to release guidelines for Medicare ACOs in early 2011 under its Shared Savings Program and the NCQA polishing its own ACO guidelines, it's not too early for healthcare organizations to assess market position and readiness for the ACO model and move quickly to improve profitability and market share.*

*This guide examines emerging trends in ACOs and provides an overview of the Medicare ACO model proposed by CMS and the Medicare Shared Savings Program. It also walks through the planning of a Medicaid ACO and offers lessons learned from an existing ACO.*

## ACOs Take Center Stage in Healthcare Reform

*Steven T. Valentine, president of The Camden Group, shared predictions on the role of ACOs during a webinar on Healthcare Trends and Forecasts in 2011.*

In 2011, the first phases of healthcare reform have started. As we begin to look at the hospitals and evaluate what they should be doing in the ACO model, we see bundled payments being pursued — not just for the CMS Medicare pilot demonstration, but also working with health plans. In this arena, the NCQA has released guidelines on what they anticipate for ACOs. They see a very strong primary care base, which we have been predicting. We think this is going to drive up the cost of acquiring medical groups, especially primary care groups. We've already seen health plans getting back into owning and operating physician practices in some parts of the country, and we expect to see more of it in 2011. They are bidding to acquire medical groups, as they, too, seek their value equation with moving ahead under this new healthcare reform.

In their ACO guiding principles, the NCQA has asked for strong reporting in quality improvement and cost reduction. (See "For More Information.") They are asking the industry to improve the patient experience. They want everyone to link their ACO to the continuum of care and of services. The NCQA's ACO guidelines are strongly pushing a primary care-focused delivery system. Lastly, one of the guiding principles is the ability of the ACO to provide a sustainable primary care workforce.

We know that physicians have had strong managed care experience. Around the country, we have seen that if providers have been strong in the managed care arena, they view these ACOs as a real 'found money' opportunity. They