HIMSS Patient-Centered Payer Roundtable
November 18, 2010

Agenda

Welcome Call to Order and Roll Call (Paul Oates, Shelley Price)

Topic discussion Accountable Care Organization: Overview and ACO Pilots (Anthony L Linares, M.D.)

Topic discussion Draft White Paper: chronic disease management (Health Strategy and Innovations Group, Vangent)

Housekeeping (Shelley Price)

Adjournment
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Adjournment

Accountable Care Organization: Overview and ACO Pilots

HIMSS Patient Centered Payer Roundtable

Antonio P. Linares, M.D.
Anthem Comprehensive Health Solutions
**Agenda**

- Payment Innovation
- Dartmouth- Brookings ACO Pilot Model
- Anthem California ACO Initiatives
  - Provider Groups and ACO Locations
  - Performance Metrics
  - ACO Committee Structures
  - Health Information & Data Exchange tools
- Physician Office Connectivity & Operational Challenges
- Sharp Community Medical Group: Case Study

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**Payment Reform Models: Controlling Costs**

- **Accountable Care Organization (ACO)**
  - Group of primary care providers, specialists and/or hospital and other health professionals who manage the full continuum of care and are accountable for the total costs and quality of care for a defined population.

- **Patient Centered Medical Home (PCMH)**
  - A team of providers who care for a patient and improve quality enhanced patient access, while managing costs. Overall coordination of care is led by a primary care physician with the patient serving as the focal point of all medical activity.

- **Bundled Payments**
  - Bundled payment systems (also known as "case rates" or "episode-based payment") would make a single payment for all services related to a treatment or condition, possibly spanning multiple providers in multiple settings rather than on a fee-for-service or capitated basis.
Accountable Care Organization: Relationship between Payment Reform Models

- The ACO can be the overarching structure within which other payment reform models can thrive.
  - The **PCMH and Bundled Payments** on their own strengthen primary care and improve care coordination.
  - If adopted within a framework in the ACO model, PCMH and Bundled Payments may add incentives to support not only better quality, but also lower overall spending growth.

Defining an Accountable Care Organization (ACO)

As defined by the Medicare Payment Advisory Commission (MedPAC)

- Group of primary care providers, specialists and/or hospital and other health professionals who:
  - Manage the full continuum of care and are accountable for the overall costs and quality of care for a defined population.
- Different ACO configurations may exist:
**Improve Quality and Reduce Costs**

Through systematic efforts to improve quality and reduce costs across the organization:

- **Capacity**
  - Appropriate Workforce
  - Reduction/Conversion of Current Capacity
  - Health Information Technology

- **Patients**
  - Informed Patient Choices
  - Health Risk Assessments

- **Processes**
  - Improved Care Coordination
  - Chronic Disease Management
  - Point of Care Reminders
  - Reduced Waste

- **Physicians**
  - Aligned Incentives
  - Access to Timely Data

Source: Dartmouth-Brookings ACO pilot project

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**ACO and WellPoint Principles**

The Accountable Care Organization (ACO) model is a local health organization that is accountable for 100% of the expenditures and care of a defined population of members. The provision of value by ACOs will require their coordination of care across all continuums of care for the defined population.

**Defining WellPoint Principles:**

- 5 year relationship
- Transitioning to a global payment over the term of the relationship
- Development of shared risks over the term of the relationship
ACO Criteria

WellPoint will contract with provider organizations which meet the criteria to operate as an Accountable Care Organization. These criteria include the following:

- A minimum population eligible for membership > 15,000 members
- Full complement of medical services with the exception of Transplants
- Must have a formal legal structure to receive and distribute reimbursement for member services
- An adequate network of ACO professionals to provide total care to the defined population
- Defined relationships with hospitals and physicians
- Deploy an IT platform supporting the capture and electronic exchange of clinical information across the Ambulatory, Inpatient and Ancillary (lab, imaging, eRX, etc.) settings for the high volume ACO Professionals
- Electronic medical record system allowing for improved coordination of care
- A commitment from the senior leadership regarding the ACO initiative
- A willingness to enter a 5 year contractual relationship

Monarch HealthCare

Mission: Helping Physician Partners Advance Medical Excellence in the Communities We Serve

Largest Independent Practice IPA/ACO in Orange County
- Only IPA/ACO with county-wide presence
- 16 years of longevity and stability

~ 165,000 HMO members
- 30,000 seniors (largest non-Kaiser provider in OC)
- 110,000 commercial members
- 25,000 Medi-Cal beneficiaries

Over 2,500 OC physicians (over 800 PCPs)
17 primary hospital relationships
HealthCare Partners California

- Largest private medical group in California with a dominant Los Angeles, Las Vegas, and Tampa footprint
- Indispensable network in Los Angeles and Northern Orange County
- Hundreds of patient access points through group and wrap-around IPA structure
- 60 Group Clinical Offices, Urgent Care Centers and ASC’s
- 2,500 Physicians with 700 Primary Care Physicians
- 25 year history of success in managed care and fee-for-service care
- Proven track record in profitably managing global capitation with strong clinical and administrative data systems
- Leading Medicare Advantage provider since 1985
- Long history of close hospital strategic relationship
- Strong and enduring MCO strategic relationship

ACO Membership

<table>
<thead>
<tr>
<th>PMG</th>
<th>Service Area</th>
<th>ACO Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>HealthCare Partners</td>
<td>LA County</td>
<td>52,506</td>
</tr>
<tr>
<td>Monarch</td>
<td>Orange County</td>
<td>31,134</td>
</tr>
<tr>
<td>Sharp</td>
<td>San Diego</td>
<td>22,121</td>
</tr>
<tr>
<td>Total Membership</td>
<td>All Service Areas</td>
<td><strong>105,761</strong></td>
</tr>
</tbody>
</table>
Hospital Quality Metrics

- JC/CMS NHQM – AMI, PN, CHF & SCIP
- ACC & STS metrics for Cardiac Diseases
- National Healthcare Surveillance Network –
  - Central line associated bloodstream infections
  - Ventilator associated pneumonia
  - Catheter associated urinary tract infections
- Patient Satisfaction - CAHPS

Hospital Efficiency Metrics

Utilization & Costs
- Length of Stay
- Admits/1000
- Days/1000
- HEDIS All Cause Readmission Rate
- Cost pmpm
### Physician Performance Metrics

- Breast Cancer Screening
- Colorectal Cancer Screening
- Childhood Immunization Status (MMR + VZV)
- Chlamydia Screening in Women
- HbA1C Screening
- LDL Screening
- Nephropathy Monitoring
- Cholesterol Management LDL Screening (Pts with Cardiovascular Conditions)
- Use of Imaging Studies for Low Back Pain
- Appropriate Testing for Children with Pharyngitis
- Appropriate Treatment for Children with Upper Respiratory Infection
- Avoidance of Antibiotic Treatment of Adults with Acute Bronchitis
- Medication Monitoring (ACE/ARBs, digoxin, diuretics)

### Physician Efficiency Metrics

- Emergency Department – Potentially avoidable visits
- Pharmacy
  - Rx ppm
  - Cost ppm
  - Generic rates (SSRI, Statin, PPI, Anti-hypertension, NSAID)
- Imaging – excludes inpatient and ED
  - Spine MRI/1000
  - Spine CT/1000
  - Abdominal CT/1000
- Global Medical Care
  - Cost per episode
- Specialists
  - Cost per episode
Improvement / Attainment Scoring

Earning Quality Points Example
Measure: Nephropathy Monitoring

Quality Gate

- Physician Quality Metrics
- Hospital Quality Metrics

Can participate in upside savings

Note: Points are scored based on both improvement and an attainment threshold
### Potential Payment Models

<table>
<thead>
<tr>
<th>Examples</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option 1</strong></td>
<td>FFS with yearly Reconciliation against a medical budget</td>
<td>FFS with yearly Reconciliation against a medical budget</td>
<td>Global PMPM with increasing risk sharing arrangement</td>
<td>Global PMPM with full risk sharing arrangement</td>
<td>Global PMPM with full risk sharing arrangement</td>
</tr>
<tr>
<td><strong>Option 2</strong></td>
<td>Global PMPM with partial risk sharing arrangement</td>
<td>Global PMPM with increasing risk sharing arrangement</td>
<td>Global PMPM with increasing risk sharing arrangement</td>
<td>Global PMPM with full risk sharing arrangement</td>
<td>Global PMPM with full risk sharing arrangement</td>
</tr>
</tbody>
</table>

### Shared Savings Distribution

- **Hospital Efficiency Metrics**
- **Physician Efficiency Metrics**

**Payment Bands**
ACO/PCMH External / Internal Committees

ACO Steering Committee
- Member Attribution
- Performance Metrics
- Operations/Data Exchange
- Medical Management
- Provider Contracting
- Product Development/Benefit Design
- Marketing/Communications

ACO Internal Committees

Leadership Committee
- Operational Readiness
- Medical Management
- Product Development/Benefit Design
- Customer Care/Member Services
Operational Readiness Committee

- IM
- Healthcare Analytics
- Actuary
- CA PE&C ACO team
- Enterprise ACO team
- Ad Hoc members as needed

- Update project plan weekly
- Record and track project risks and issues; escalate as needed
- Confirm all outstanding questions which are posted in question log and document resolution once decision is reached
- Document key decisions to project log

Anthem

SHARP Community Medical Group

Anthem
Sharp HealthCare: Care Transformation Model
Clinical Systems

Patient & Family

- Personal Health Record
- Patient Portal
- Health Risk Assessment
- Patient Engagement & Activation

Advanced Primary Care
Under Patient-Centered Medical Home

- Prevention & Wellness
- Point of Care Analytics & Clinical Decision Support
- Gaps in Care
- Population Management & Chronic Care Registries
- Home Visiting Teams
- Generic Prescribing Program
- Cost Effective Medical Management & Utilization of Services (SCP, Ancillary)
- Access, Same Day Appointments, e-Visits
- Patient Satisfaction & Loyalty
- Provider & Office Staff Satisfaction

Patient & Family
- Personal Health Record
- Patient Portal
- Health Risk Assessment
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Sharp HealthCare: Care Transformation Model
Clinical Systems

Medical Group & Health Care System
Enterprise Level Activities

- PCP/SCP Incentives & Clinical Guidelines
- Pay for Performance Initiatives and Outcomes Measurements
- Hospitalists, Post Discharge Follow-Up Programs

Advanced Primary Care
Under Patient-Centered Medical Home

- Prevention & Wellness
- Point of Care Analytics & Clinical Decision Support
- Gaps in Care
- Population Management & Chronic Care Registries
- Home Visiting Teams
- Generic Prescribing Program

- Patient & Family
  - Personal Health Record
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  - Patient Engagement & Activation

- Cost Effective Medical Management & Utilization of Services (SCP, Ancillary)
- Access, Same Day Appointments, e-Visits
- Patient Satisfaction & Loyalty
- Provider & Office Staff Satisfaction

- Department of Medical Group & Health Care System
  - Enterprise Level Activities
  - PC-MH Functions

- Sharp Clinical Systems
  - Accountable Care Organization

- Medical Group & Health Care System
  - Enterprise Level Activities

- Skilled Nursing Facilities
- Home Care
- Home Safety Visits
- Home Health Coordinator
- Home Care Transitions (CHF, COPD, Frailty, Syndromes, Demencia)

- Ancillary Services
- Free-Standing ASC & Diagnostic Testing Centers

- Hospitals
- Health Care System
- Skilled Nursing Homes

- Home Care
- Home Safety Visits
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Sharp HealthCare: Care Transformation Model
Operational Systems and Structure

Patient & Family

- Value Based Benefit Design
- Benefit Design to Steer Patients
- Enrollment in Model (Attribution)
- Engagement

Advanced Primary Care
Under Patient-Centered Medical Home

- Point of Care Analytics
- Job Descriptions
- Additional Staffing (Physician Extenders)

- Work Flow Redesign & Process Changes
- Education of Staff, PCPs, Team
- Measurement Sets, Dashboards

- Adequate Primary Care Base
- Financial Modeling

Patient & Family
- Value Based Benefit Design
- Benefit Design to Steer Patients
- Enrollment in Model (Attribution)
- Engagement
Health Information Technology

A. Much broader than EMR
B. Meaningful Use and HIT as enabler
C. Supports access
   1. Secure messaging
   2. Telephonic/cellular
   3. Access to Care Teams (Shared Care Plan)
   4. Remote monitoring
   5. PHR/EHR access (patient-centric record)
   6. Patient/family feedback
   7. Patient engagement tools

Source: John Jennette, MD, CEO of Sharp Community Medical Group
D. Supports coordination of care
   1. Reminder/outreach
   2. Team/care plan coordination
   3. Referral management
   4. Diagnostic results management
   5. Care transitions management
   6. Case/condition management
   7. Shared decision support

Source: John Jenrette, MD, CEO of Sharp Community Medical Group

E. Supports payment reform
   1. Tracking non-FFS activities
   2. Quality and efficiency measurements
   3. Pay for performance reporting
   4. Gain sharing contribution tracking
   5. Episode of care tracking
   6. Risk and acuity measurement
   7. Predictive modeling
   8. Comparative effectiveness analytics

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Wrap-up

- Web page
  - [http://www.himss.org/advocacy/about_patientCenterPayer.asp](http://www.himss.org/advocacy/about_patientCenterPayer.asp)

- Next meeting
  - 3rd Thursday of the month from 4-5pm EST
    - Thursday, December 16, 2010

Leadership and Contact Information

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