THINC

Taconic Health Information Network and Community

www.thInc.org

Care Coordination and Cost Containment: Impact of ACOs in Hudson Valley

Susan S. Stuard

Executive Director, THINC

THiNC

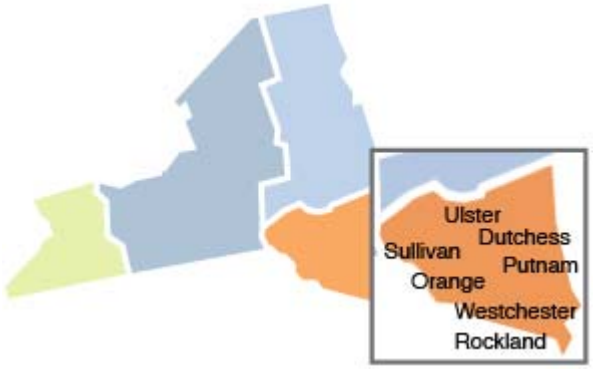
Taconic Health Information Network and Community

www.thInc.org

Geography

Hudson Valley

- Westchester, Putnam, Dutchess, Rockland, Orange, Ulster and Sullivan Counties
- Community-based 501(c)(3) organization working on health quality and cost issues as well as sponsoring HIT activities



THINC
Taconic Health Information Network and Community

THINC Objectives

1. Convene

Garner community support and offer a neutral collaboration point

2. HIT Adoption

Sponsor implementation of EHRs and health information exchange

3. Quality and Care Coordination

Support initiatives that address quality and coordination of care

4. Evaluation

Assess whether interventions demonstrate improvement in quality or cost

5. Funding

Secure funding for collaborative projects in Hudson Valley Community

THINC

Taconic Health Information Network and Community

www.thInc.org

Nature of the Problem

- Current health care reimbursement structures reward volume rather than value and do not encourage coordination or collaboration across unaffiliated organizations

THINC
Taconic Health Information Network and Community

www.thInc.org

What is an Accountable Care Organization (ACO)?

- ACOs have emerged as a model designed to slow rising health care costs and improve quality
- Many definitions – so a working description:

– An ACO is a way of formally bringing together a set of non-affiliated providers, ideally including primary care physicians, specialists, community health centers, and hospitals, and holding them accountable for the cost and quality of care delivered to a defined population of patients.

THINC

Taconic Health Information Network and Community

www.thInc.org

Some ACO Capabilities

- The ACO model is still evolving but several characteristics have been identified as essential to the success of an ACO. These include:
  - Ability to provide and coordinate care across different institutional settings, including ambulatory and inpatient care.
  - Sufficient size to support comprehensive, valid, and reliable performance measurement.
  - Health information infrastructure to facilitate the necessary performance measurement and care coordination.
  - Leadership, particularly clinical leadership, to enable changes in culture and clinical coordination

Taconic Health Information Network and Community

www.thInc.org

ACO Demonstrations

- The Affordable Care Act authorizes two ACO demos set to begin not later than January 1, 2012
  - Medicare shared savings program
  - Pediatric ACO Demonstration Project
- Additionally, the Center for Medicare and Medicaid Innovation (CMI) will likely sponsor additional ACO activity

THINC

Taconic Health Information Network and Community

www.thInc.org

Hudson Valley Community Building Blocks

Health plan involvement and a community-wide data set

- Six health plans have partnered with THINC in a P4P-Medical Home project. Paid ~$1.5 million in incentives this year
- Also populating a multi-year claims data set to enable quality and cost outcome analysis.

Medical home recognition of 236 providers.

- Assisted 236 PCPs in 8 practices and 3 FQHCs to achieve Level 3 recognition from NCQA. 50 more PCPs in pipeline

EHR adoption rate of 37% (43% among PCPs)

- THINC, under a HEAL 1 grant from the NYS DOH, has supported the implementation of 660+ EHRs in the last three years

Developing health information exchange to support care coordination

- Exchange of structured data between EHRs to support coordination of care

THiNC
Taconic Health Information Network and Community

www.thInc.org

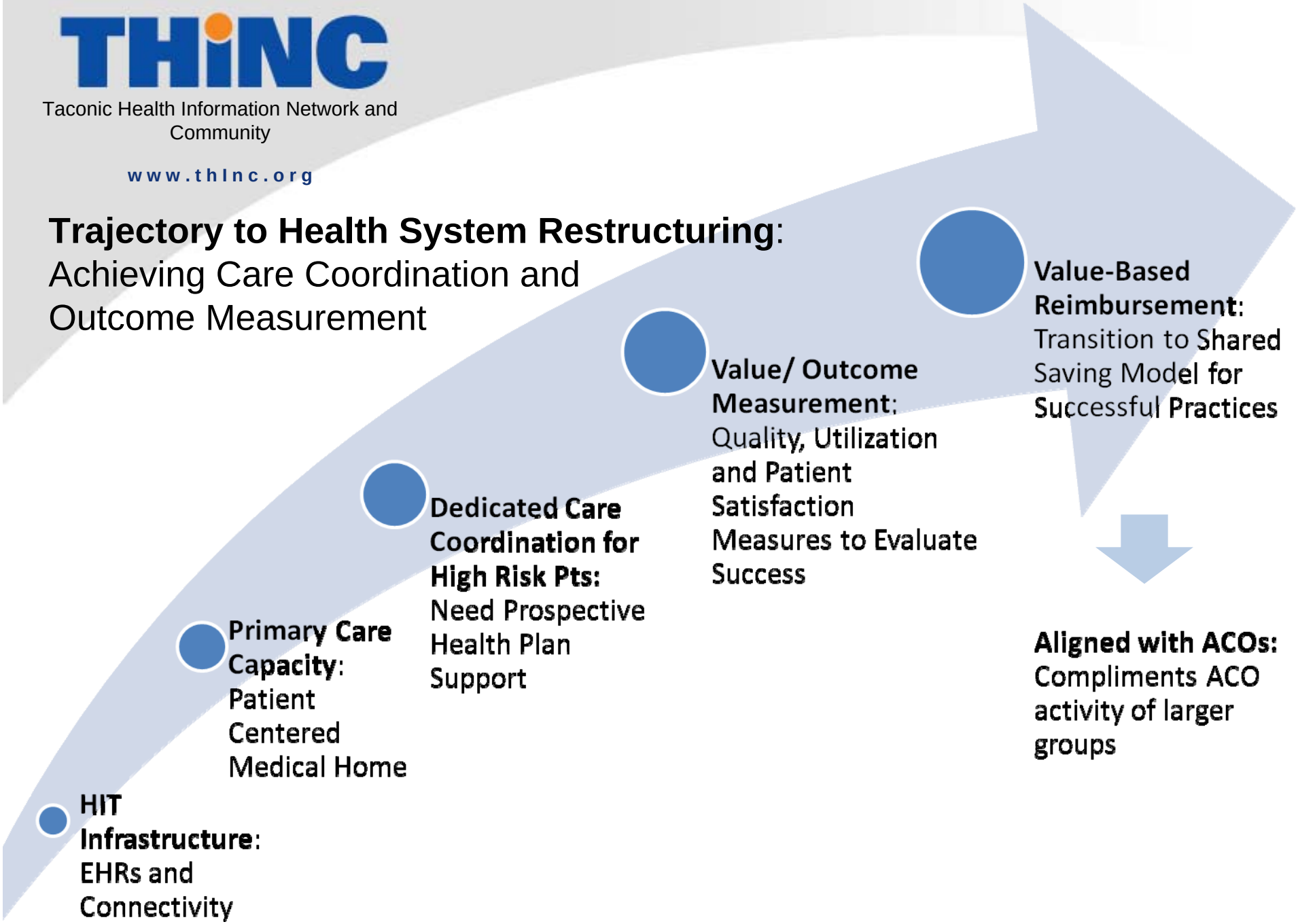
Disadvantage: Small Provider Groups

- PPACA set a minimum of 5,000 Medicare beneficiaries for ACO demo
- Typical PCP cares for 2,000 patients and usually a quarter to a half are Medicare
- Implies that at least 10 primary care physicians would need to be in an ACO to meet this standard
- However, in Hudson Valley, only about one-third of PCPs practice in groups that large
- Other ACO programs may have higher minimum (~20k-50k)
- Leaves out a significant portion of PCPs
- ***Mandate: Need to float all boats – support smaller PCPs as well as larger groups nearing readiness for ACOs***

Taconic Health Information Network and Community

www.thInc.org

Trajectory to Health System Restructuring: Achieving Care Coordination and Outcome Measurement



THiNC

Taconic Health Information Network and Community

www.thInc.org

Leverage Building Blocks

- Move from medical home to implementation of dedicated care manager program in collaboration with Geisinger
  - On-site management of high risk, high cost patients
  - Test in small and large groups
  - Test in an open community that does not have an IDN
- Pair with outcome data measuring value – quality and utilization measures and patient satisfaction
- Galvanize health plan payment to support care coordination and, if successful, transition to shared savings over time

THINC
Taconic Health Information Network and Community

www.thInc.org

ACO Support

- Support groups well positioned to undertake ACO
  - Several large groups will be ready and able
- Provide quality and utilization data to these ACOs and a comparison of performance to community
- With support of NYS Health Foundation:
  1. Seek to foster a multi-payor approach building on THINC's P4P-MH project
     - Some commonly agreed-upon principles for ACO operation in the region would facilitate the willingness of commercial payers to participate alongside Medicare
  2. Sponsor education and training so all providers can get more details on infrastructure lift of ACOs

THiNC
Taconic Health Information Network and Community

www.thInc.org

ACO Support

- ACOs are a huge infrastructure lift
  - Data systems, clinical coordination, payment structures, etc.
  - One year may not be enough if requisite building blocks are not already in place
- Know that FTC wants to see many competitive ACOs in a market
- Need to give providers a neutral source of information
  - assess readiness and move ahead
  - or pursue other care delivery and reimbursement strategies

Taconic Health Information Network and Community

www.thInc.org

Questions

Please feel free to reach out with questions

Susan S. Stuard
Executive Director
THINC, Inc.
sstuard@thinc.org