

Grant Outcomes Report

Supporting the Development of Accountable Care Organizations in the Hudson Valley

The Problem

Current health care reimbursement structures generally reward volume rather than value, and do not encourage coordination or collaboration across unaffiliated organizations. A promising, but new and largely untested, model called accountable care organizations (ACOs) has emerged as a way to slow rising health care costs and improve quality. An ACO formally brings together a set of non-affiliated providers, ideally including primary care physicians, specialists, community health centers, hospitals, and possibly post-acute care providers, and holds them accountable for the cost and quality of care delivered to a defined population of patients. If an ACO is successful at meeting certain quality and cost-saving targets, it receives higher reimbursements from payers. If it fails to meet these goals, it receives lower payments. ACOs have recently garnered significant attention, and Federal health care reform encourages the development and testing of the model, with the first phase of voluntary ACO demonstration projects within the Medicare program slated to begin in early 2012.

Transforming health care delivery requires collaboration and agreement between health care plans and health care providers. Recognizing this requirement, the Taconic Health Information Network and Community, Inc. (THINC) brought the payers and providers to the table in a joint pursuit of models that would benefit both communities in the region. THINC's region, the Hudson Valley, provides a unique set of building blocks that makes it particularly well positioned to support an ACO or similar opportunity. Among its assets: **1)** Strong engagement of six health plans and a communitywide data set; **2)** 237 providers involved in a pay-for-performance medical home project; **3)** a region with a high rate of electronic health record adoption, due in part to THINC's efforts; and **4)** long-term experience with a regional health information exchange network to support care coordination.

KEY INFORMATION:

GRANTEE

Taconic Health Information Network and Community, Inc. (THINC)

GRANT TITLE

Supporting the Development of Accountable Care Organizations in the Hudson Valley (Planning Grant)

DATES

November 2010–December 2011

GRANT AMOUNT

\$131,342

FUNDING

Special Projects Fund

Grant Activities and Outcomes

In an effort to ready the payers and providers in the Hudson Valley, the New York State Health Foundation (NYSHealth) funded THINC to facilitate a planning process between payers, providers, and other key stakeholders. THINC provided a neutral entity to convene the key parties and develop a common understanding about these new value-driven payment models. The project aimed to develop a unified regional approach to its pursuit of participating in an ACO, Medicare's Shared Savings Program, or similar models.

Among THINC's key activities under this project:

- Organized an ACO legal workgroup representing a broad range of payer and provider participants. Workgroup members included leaders from MVP Healthcare, Aetna, Hudson Health Plan, Westchester Medical Group, Health Quest, Health Alliance, Anthem Blue Cross and Blue Shield, and Crystal Run Healthcare.
- Organized four *ACO Insights* webinars designed to address key operational and policy decisions for developing an ACO. Total registration across all webinars was 980 and attendees represented a broad range of stakeholders. Topics explored were: **1)** Leadership & Operations; **2)** Quality Measures and Improvement; **3)** Engagement; and **4)** Financial and Legal. Speakers included leaders from Community Care of North Carolina, Brookings Institution, Centers for Medicare & Medicaid Services (CMS), Dartmouth-Hitchcock Health System, Weil Cornell Medical School, Monarch HealthCare, and the National Partnership for Women and Families.
- Organized a conference in June 2011 with more than 100 attendees. Speakers included representatives from the Carilion Clinic, American Medical Group Association, Epstein Becker & Green, Crystal Run HealthCare, and MVP Healthcare.
- Contracted with RAND Corporation to help determine the median reliability and ranges for each utilization measure in its multi-payer data set across individual physicians and practices.



Supporting the Development of Accountable Care Organizations in the Hudson Valley

- Hosted bi-weekly meetings with the ACO Legal Workgroup and one-on-one interviews with working group participants to solicit input and perspectives on ACO contracting issues.

Based on the input from the working group, THINC published a public white paper in November 2011: “Building ACOs and Outcome-Based Contracting in the Commercial Market: Provider and Payor Perspectives.”¹ The report was widely disseminated, publicized through a formal press release and through announcements by other stakeholders, and received at least 700 downloads in the first month of its release.

The document provided a window into the concerns of both the payer and provider communities, while offering insights into the issues they must tackle in approaching these new paradigms. In the paper, both parties expressed concerns—and historical mistrust—about who would bear the financial risks for new payment arrangements, but also identified common interests in developing care models that would help them succeed in the new environment.

To elicit such insights, THINC had to address some critical challenges. It was difficult to get multiple payers and providers that compete with one another to come together in a group setting, and even harder for them to talk candidly about their concerns, whether about changing market-power advantages, who bears the financial risks, or how uncertain they were about embracing ACOs for the commercial market. Given the reluctance to disclose information in a group setting, THINC coupled the group meetings with a round of one-on-one interviews to solicit some of the key perspectives needed for the report.

Another key challenge for the project was the timing—the final regulations for ACOs were imminent but not yet issued. This proved to be somewhat useful, as the parties saw it as an opportunity to have non-committal discussions. At the same time, the remaining regulatory uncertainties made it more difficult to agree on some concrete arrangements for payers and providers.

Future

Overall, the project successfully increased knowledge of the key issues to be addressed in order to develop an ACO, and laid the groundwork for initial efforts in the region. CMS recently released a number of funding opportunities for implementing new health care delivery models, including the Comprehensive Primary Care Initiative, the Community-Based Care Transitions Program, and the Health Care Innovations Challenge. THINC continues to actively work with stakeholders in the community to identify opportunities that may lend themselves to the efforts underway in the region.

¹ The full report is available at this link: <http://nyshealthfoundation.org/resources-and-reports/resource/building-acos-and-outcome-based-contracting-in-the-commercial-market-provid>.

Since the project closed, Crystal Run Healthcare, a large multi-specialty physician-led group that was involved with the THINC work group discussions, was approved in April 2012 to participate in CMS's Medicare Shared Savings Program (MSSP) as an ACO. In addition, although not involved with this project, another entity in the Hudson Valley with which THINC worked, the Accountable Care Coalition of Mount Kisco, was selected to be a MSSP ACO. Nevertheless, it will still take time for providers in the region to identify commercial payers to enter into an ACO or ACO-like arrangements.

BACKGROUND INFORMATION:

ABOUT THE GRANTEE

Established in 2005, THINC, Inc. is a nonprofit organization that fosters innovation in health care by convening and aligning stakeholders in New York's Hudson Valley. THINC advances the use of health information technology through the sponsorship of a secure health information exchange network, the adoption and use of interoperable electronic health records, and the implementation of population health improvement activities, including public health surveillance, pay-for-performance, and other quality improvement initiatives. THINC is governed by a multi-stakeholder board of directors and five board committees, including representatives from physician practices, hospitals, safety-net providers, payers, employers, public health, quality improvement organizations, State government, community business leaders, a consumer advocacy group, and others in the health care industry.

GRANTEE CONTACT

Susan S. Stuard
Executive Director
Taconic Health Information Network and Community, Inc. (THINC)
300 Westage Business Center Drive, Suite 320
Fishkill, NY 12524
Phone: (845) 896-4726
E-mail: ssuard@thinc.org
Website: www.thinc.org

NYSHEALTH CONTACT

Amy Shefrin

GRANT ID

10-01950