



Accountable Care Organizations

AcademyHealth

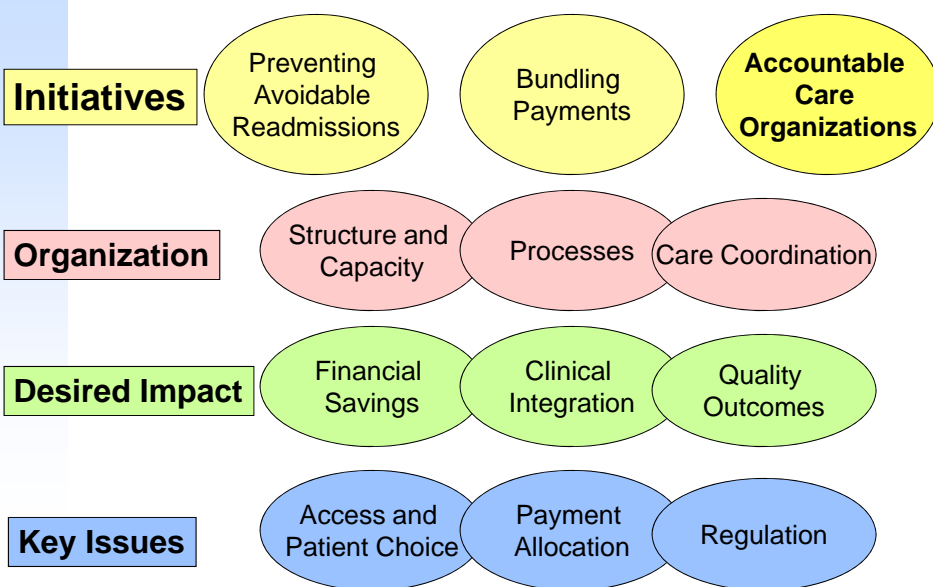
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TRANSFORMING HEALTH CARE THROUGH RESEARCH AND EDUCATION



Quality AND Cost



Parallel Processes

•System Redesign

- Medical Homes
- Health Information Technology
- Care Coordination
- Appropriate Use of Services in Appropriate Settings of Care

•Payment Redesign

- Value based purchasing
- Testing of bundling and global capitation

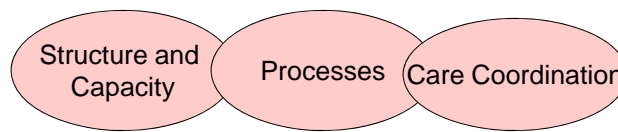


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Organization Issues/Questions

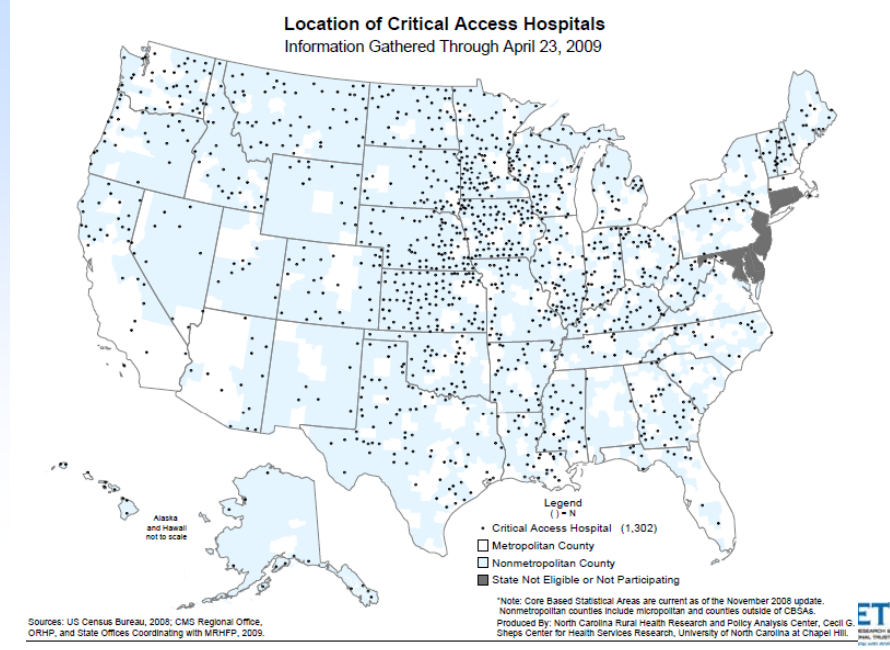
1. Will accelerate improvement in care coordination - issues of hand-offs, transfers are substantial.
2. Will accelerate information exchange for care management.
3. How many organizations have the infrastructure and capacity in the immediate future to become an ACO?
 - A. Manage across continuum of care
 - B. Sufficient size
 - C. Data collection/HIT
4. Only for Medicare and exclude pediatrics?
5. Exclude critical access, rural, tweener hospitals?

Organization



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Critical Access Hospitals



Small is the New Big

- Average Hospital Size: 155 beds
- Median Hospital Size: 91 beds
- 74% of hospitals are 200 beds or smaller
- Approximately half of all physicians practice in 1, 2 or 3 physician size practices
- Approximately 20% in practices of 8 or more physicians
- For physicians, practice size is increasing
- For hospitals, there is ongoing consolidation into multi-hospital health systems
- Vertical integration is increasing

Desired Impact Issues/Questions

1. Will require more robust quality measurement across the continuum of care.
2. Will facilitate clinical integration.
3. Will increase focus on population health.
4. Financial savings as the trigger? How do balancing quality measures get incorporated?
5. How do we measure quality across the continuum? Sum of the site-specific measures for the short-term?
6. Clinical integration is both a dependent and independent variable.

Desired Impact

Financial Savings

Clinical Integration

Quality Outcomes

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Key Issues

1. Need to address Stark, Anti-trust laws and Conditions of Participation regulations.
2. Are there restrictions on patients on choice of provider? Can a patient use any home health agency or nursing home?
3. How do you address out of network services?
4. If payment is bundled, who holds it and how does it get allocated within the ACO?

Key Issues

Access and Patient Choice

Payment Allocation

Regulation

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Key Issues

- Need sound design and testing of ACOs
- How do we test community level accountability?