

CMS eHealth Provider Webinar

ACOs and their Role in Improving Healthcare

January 28, 2014
Noon – 1:30pm ET



Presentation Objectives

- » Overview of Accountable Care Organizations (ACOs)
 - Types of ACOs
 - Role of Health IT

- » Overview of ACO Programs:
 - Pioneer
 - Advanced Payment
 - Comprehensive ESRD
 - Medicare Shared Savings Program

- » Questions/Answers

Presenters

- » Ahmed Haque
 - Health IT Advisor
 - CMS Innovation Center

- » Alefiyah Mesiwala, MD, MPH
 - Senior Staff, ACO Division, Seamless Care Models Group, Model Lead, Comprehensive ESRD Care Initiative
 - CMS Innovation Center

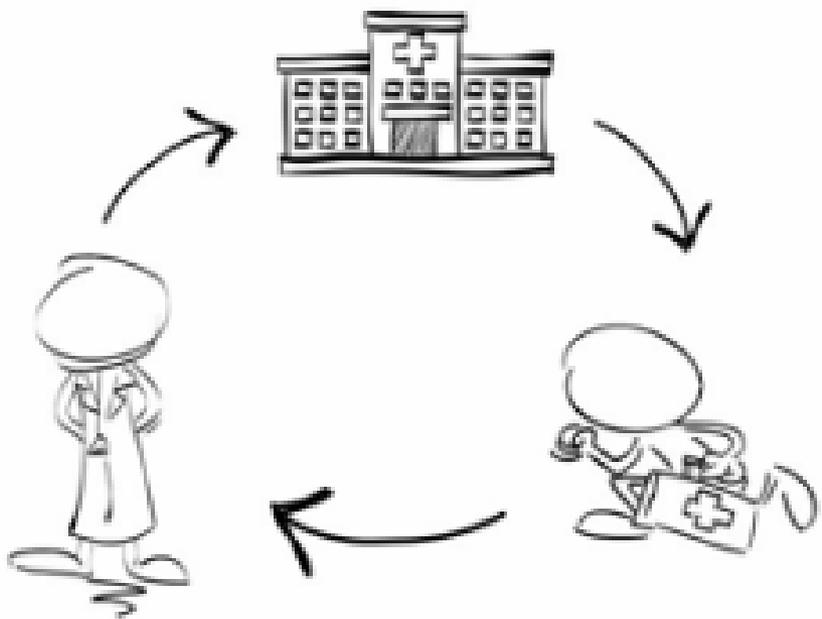
- » Sarah Fogler, Ph.D.
 - Director, Division of Shared Savings Program, Performance Based Payment Policy Group
 - CMS Center for Medicare

Introduction and Role of Health IT in ACOs

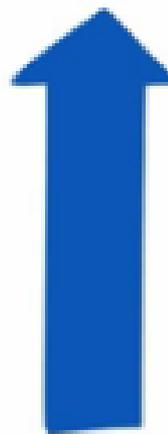
Ahmed Haque

Health IT Advisor
CMS Innovation Center

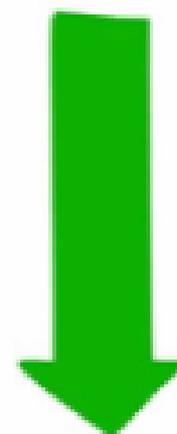
What is an ACO?



QUALITY



COST



Improved Efficiencies in ACOs



Collaborative Nature of ACOs



Health IT: Catalyst for Transformation

Three-Part Aim:

- ★ Better Healthcare
- ★ Better Health
- ★ Reduced Costs

HITECH Act

2009

EHR Incentive Program



EHRs & HIE

2013

Widespread adoption & meaningful use of EHRs

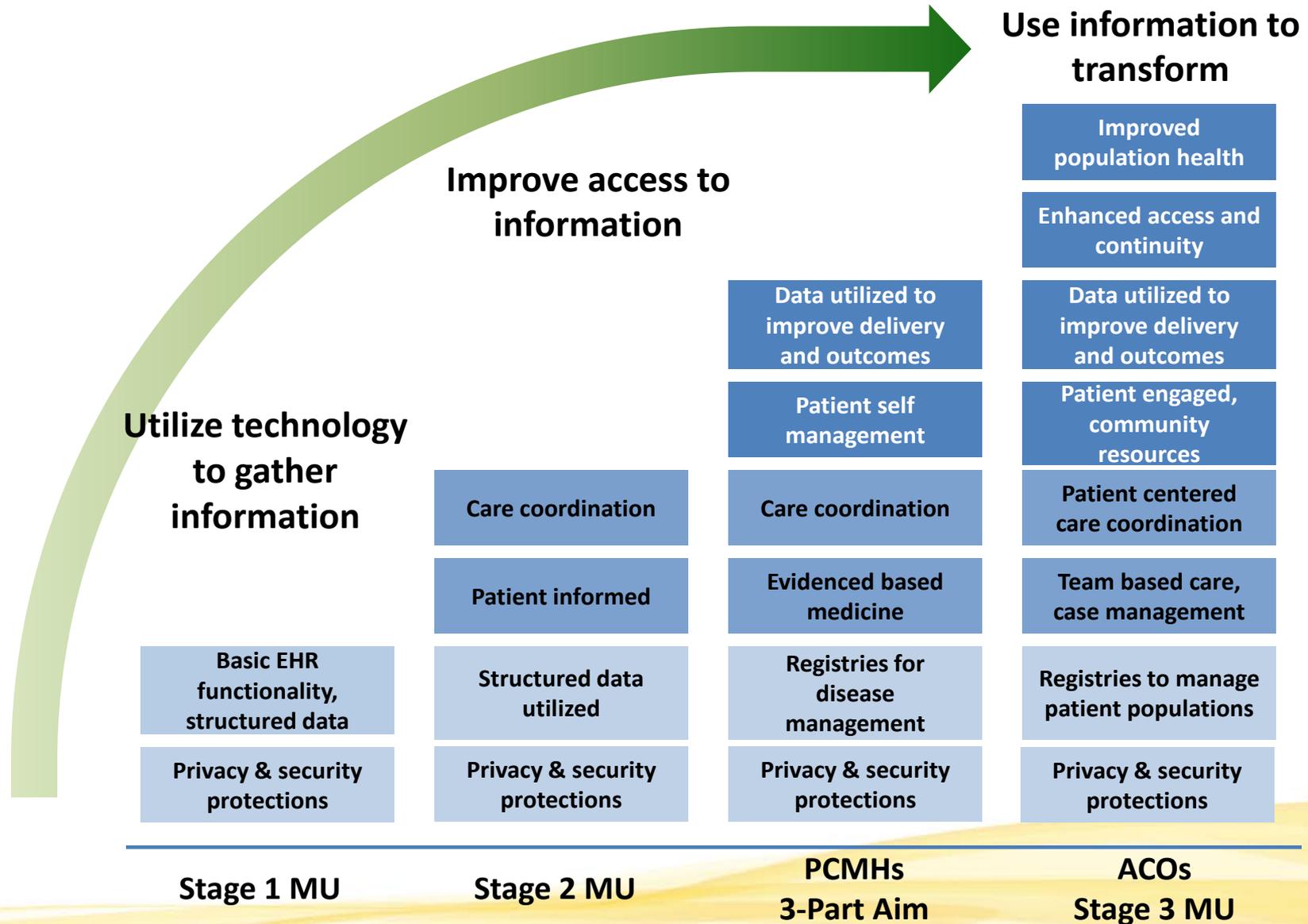


Payment Reform

2014+

Health IT Enabled Reform Models





For more information:

Ahmed.Haque@CMS.HHS.GOV

Overview of ACO Models at the CMS Innovation Center

Alefiyah Mesiwala, MD MPH

Senior Staff, ACO Division, Seamless Care Models Group
Model Lead, Comprehensive ESRD Care Initiative
CMS Innovation Center

The CMS Innovation Center

The purpose of the [Center] is to test innovative payment and service delivery models to reduce program expenditures...while preserving or enhancing the quality of care furnished to individuals under such titles.

- *The Affordable Care Act*

Our Strategy: Conduct many model tests to find out what works

- » The Innovation Center portfolio of models will address a wide variety of **patient populations, providers, and innovative approaches to care and payment**

CMS Innovations Portfolio

Accountable Care Organizations (ACOs)

- Medicare Shared Savings Program (Center for Medicare)
- Pioneer ACO Model
- Advance Payment ACO Model
- Comprehensive ERSD Care Initiative

Primary Care Transformation

- Comprehensive Primary Care Initiative (CPC)
- Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration
- Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration
- Independence at Home Demonstration
- Graduate Nurse Education Demonstration

Bundled Payment for Care Improvement

- Model 1: Retrospective Acute Care
- Model 2: Retrospective Acute Care Episode & Post Acute
- Model 3: Retrospective Post Acute Care
- Model 4: Prospective Acute Care

Capacity to Spread Innovation

- Partnership for Patients
- Community-Based Care Transitions Program
- Million Hearts

Health Care Innovation Awards

State Innovation Models Initiative

Initiatives Focused on the Medicaid Population

- Medicaid Emergency Psychiatric Demonstration
- Medicaid Incentives for Prevention of Chronic Diseases
- Strong Start Initiative

Medicare-Medicaid Enrollees

- Financial Alignment Initiative
- Initiative to Reduce Avoidable Hospitalizations of Nursing Facility Residents

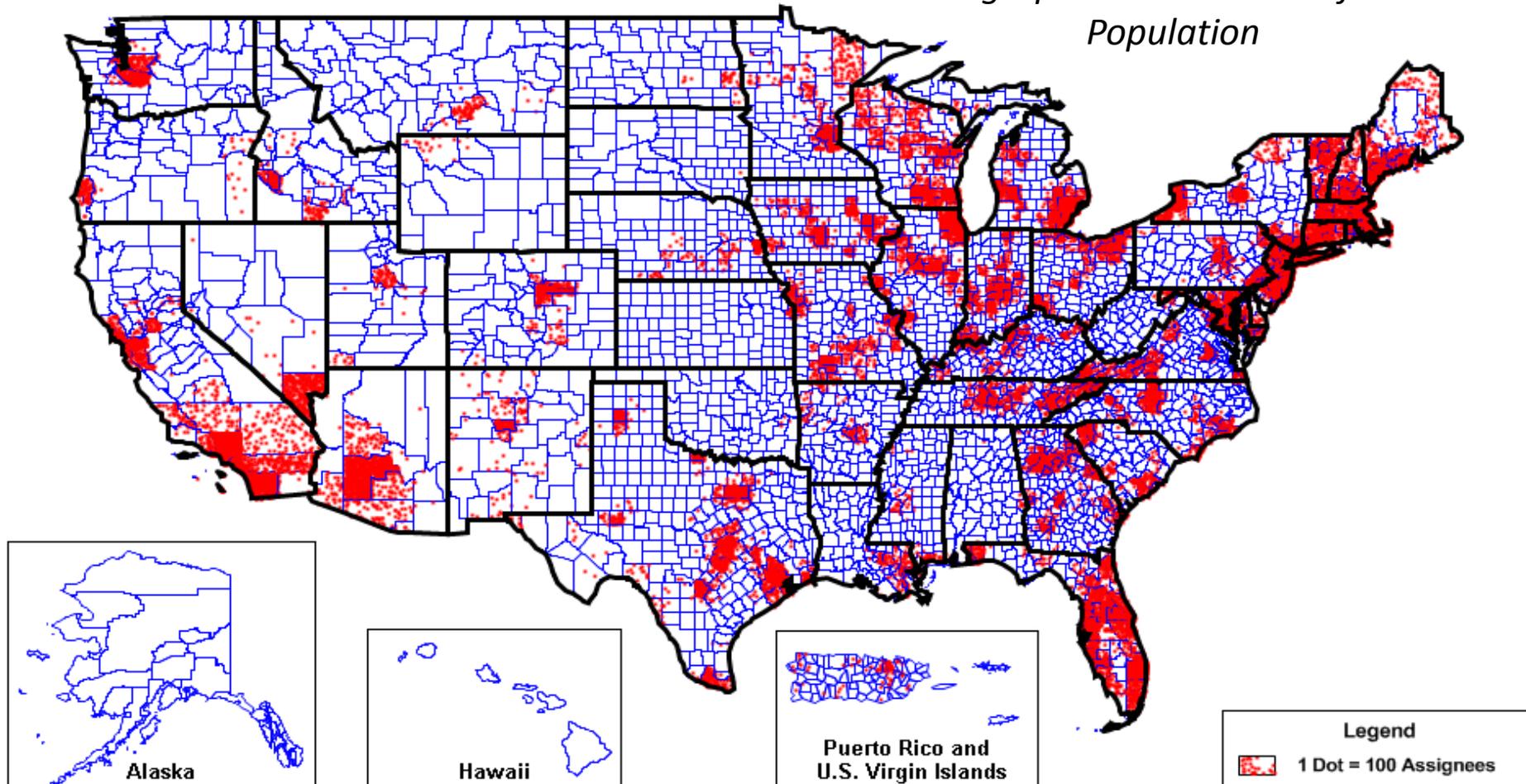
✓ [Learn more at innovation.cms.gov](https://innovation.cms.gov)

A Comprehensive ACO Strategy

- Medicare Shared Savings Program (Center for Medicare)
- Pioneer ACO Model
- Advance Payment Model
- Comprehensive ESRD Care Initiative

4 million Medicare beneficiaries having care coordinated by over 300 ACOs across the country

Geographic Distribution of ACO Population



ACO Goals

- » An ACO promotes seamless coordinated care that:
 - Puts the beneficiary and family at the center of all its activities
 - Remembers patients over time and place
 - Attends carefully to care transitions
 - Manages resources carefully and respectfully
 - Proactively reaching out to patients with reminders and advice
 - Evaluates data to improve care and patient outcomes
 - Innovates around better health, better care and lower growth in expenditures through improvement
 - Invests in team-based care and workforce

Pioneer ACO Goals

- » To engage experienced provider organizations in demonstrating what is possible in reducing Medicare spending through care improvement
- » To complement and inform the Medicare Shared Savings Program

Pioneer ACO Model Requirements

- Willing to become accountable for the quality, cost, and overall care of the Medicare fee-for-service beneficiaries assigned to the ACO
- Agree to participate in the program for at least a 3-year period
- Have a sufficient number of primary care professionals for assignment of at least 5,000 beneficiaries
- Have a formal legal structure to receive and distribute payments
- Have a leadership and management structure that includes clinical and administrative systems
- Define processes to (a) promote evidenced-based medicine (b) promote patient engagement, (c) report quality and cost measures and (d) coordinate care
- Demonstrate ability to meet patient-centeredness criteria

Financial Performance

- » Pioneer ACO Model offers shared savings payment arrangements with higher levels of savings and risk than in the Medicare Shared Savings Program.
- » Multiple tracks that include shared savings and losses, with risk levels that escalate over time.
- » One track moves to full risk for Part B expenditures.
- » Another track moves to full risk for Part A and B expenditures.

Quality Performance

- » Quality measures (33) are separated into the following four key domains:
 - Better Care
 1. Patient/Caregiver Experience
 2. Care Coordination/Patient Safety
 - Better Health
 3. Preventative Health
 4. At-Risk Population
- » Must meet quality targets for quality measures to be eligible to share in savings and performance impacts amount of savings/losses earned

Pioneer ACO Model First Year Preliminary Results

- » Pioneer ACOs generated gross savings of \$87.6M (18 Pioneers generated savings out of 32 total; 14 any losses)
- » 13 out of 32 pioneers earned shared savings totaling \$76.09 M
- » Medicare spending for beneficiaries aligned to Pioneer ACOs grew by 0.3%, substantially below historical rates and below the 0.8% growth rate of the “reference” population

Pioneer ACO Model First Year Preliminary Results

- » All Pioneers successfully reported quality measures and earned PQRS incentives
- » Pioneers performed better than national average for all 15 clinical quality measures with comparable data (7 measures had no comparable data)
 - 25 of 32 Pioneer ACOs generated lower risk-adjusted readmission rates than the rate for Medicare fee-for-service
 - Compared to 10 managed care plans across 7 states from 2000 to 2001, the median rate among Pioneer ACOs on BP control among diabetics was 68% vs. 55%, and on LDL control was 57% vs. 48%
 - The majority of Pioneers also had higher CAHPS scores than reported rates in Medicare fee-for-service

Advance Payment ACO Model

GOAL: To test whether advance payments enhance the ability of ACOs to effectively coordinate care and generate Medicare savings.

- » Open only to ACOs participating in the Medicare Shared Savings Program
- » Meant to help entities such as smaller practices and rural providers with less access to capital to participate in the Shared Savings Program.
- » Participants receive three payments:
 - Upfront variable payment
 - Monthly variable payment
 - Fixed monthly payment
- » Payments are returned through future shared savings
- » Three start dates:
 - **April 1** start date: **5** ACOs selected
 - **July 1** start date: **15** ACOs selected
 - **January 1** start date: **16** ACOs selected

Comprehensive ESRD Care Initiative

GOAL: To test a new model of payment and care delivery specific to Medicare beneficiaries with ESRD.

- » Partnering with groups of health care providers and suppliers - ESRD Seamless Care Organizations (ESCOs)
 - Must include dialysis provider and nephrologist
- » ESCOs must have minimum of 350 “matched” beneficiaries
 - Beneficiaries with ESRD “matched” to ESCO based on where they receive dialysis
 - Fee for service Medicare beneficiaries with ESRD
- » ESCOs evaluated on performance on quality measures
- » ESCOs successful in lowering total Part A and B costs can share in savings
- » Application period will open this winter with a revised RFA

For more information:
innovation.cms.gov



Medicare Shared Savings Program

Sarah Fogler, Ph.D.

Director, Division of Shared Savings Program
Performance Based Payment Policy Group

Center for Medicare

National Program Update

- Over 360 Medicare ACOs established serving over 5.3 million Medicare fee-for-service beneficiaries
- 343 Shared Savings Program ACOs operating in 47 states plus DC and Puerto Rico
- Over half are physician led serving fewer than 10,000 beneficiaries
- 20% include a community health center, rural health clinic or critical access hospital
- Annual application cycle for organizations to apply

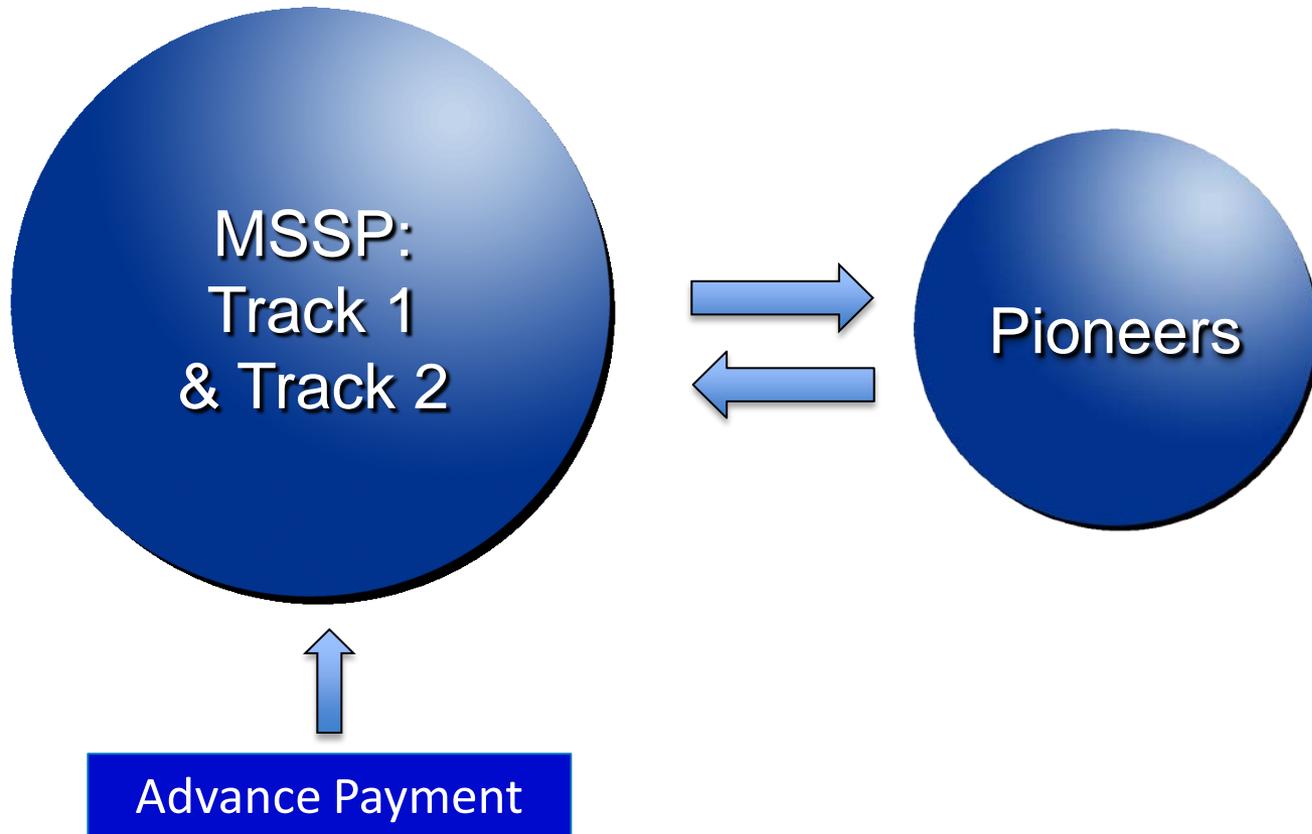
Medicare Shared Savings Program Goals

- The Shared Savings Program is a new approach to the delivery of health care aimed at reducing fragmentation, improving population health, and lowering overall growth in expenditures by:
 - Promoting accountability for the care of Medicare fee-for-service beneficiaries
 - Improving coordination of care for services provided under Medicare Parts A and B
 - Encouraging investment in infrastructure and redesigned care processes

Medicare Shared Savings Program Vision

- ACOs will promote the delivery of seamless, coordinated care that promotes better care, better health and lower growth in expenditures by:
 - Putting the beneficiary and family at the center
 - Remembering patients over time and place
 - Attending carefully to care transitions
 - Managing resources carefully and respectfully
 - Proactively managing the beneficiary's care
 - Evaluating data to improve care and patient outcomes
 - Using innovation focused on the three-part aim
 - Investing in care teams and their workforce

CMS's ACO Strategy: Creating Multiple Pathways with Constant Learning and Improving



What entities could form an ACO?

- Existing or newly formed organizations may form an ACO:
 - ACO professionals in group practice arrangements
 - Networks of individual practices of ACO professionals
 - Joint ventures/partnerships of hospitals and ACO professionals
 - Hospitals employing ACO professionals
 - Federal Qualified Health Centers (FQHC) and Rural Health Clinics (RHC)
 - Critical Access Hospitals (CAHs) that bill under method II
- Secretarial discretion for other providers and suppliers of services

Patient Population Accountability

- ACO accepts responsibility for an “assigned” patient population
- Assigned patient population is the basis for establishing and updating the financial benchmark, quality measurement and performance, and focus of the ACO’s efforts to improve care and reduce costs
- Assignment will not affect beneficiaries’ guaranteed benefits or choice of doctor or any other provider
- Shared Savings Program performs preliminary prospective assignment with a retrospective reconciliation

Quality Measurement & Performance

- ACO Quality Performance Standard made up of 33 measures intended to do the following:
 - Improve individual health and the health of populations
 - Address quality aims such as prevention, care of chronic illness, high prevalence conditions, patient safety, patient and caregiver engagement, and care coordination
 - Support the Shared Savings Program goals of better care, better health, and lower cost
 - Align with other incentive programs like the Physician Quality Reporting System (PQRS) and the Electronic Health Record (EHR) Incentive Programs

Financial Performance

- ACOs may share in savings if actual assigned patient population expenditures are below the established benchmark AND the performance year expenditures meet or exceed the minimum savings rate (MSR).
- The MSR takes into account normal variations in expenditures.
- One-sided model has a maximum share of savings of 50% based on quality performance with a cap of 10% on shared savings.
- Two-sided performance risk model has a maximum share of savings of 60% based on quality performance with a cap on shared savings of 15%.

Information Sharing

- Historical benchmark report
- Annual financial reconciliation report
- Annual quality report
- Quarterly reports
 - Preliminary prospective assigned beneficiaries
 - Expenditure and utilization reports
- Monthly Parts A, B and D claims line feeds

For more information:

www.cms.gov/aco/
aco@cms.hhs.gov

Thank You

Questions?