Accountable Care Organizations: They're Not Just for Medicare Anymore!

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The uncertainty about the continued existence of ACO's is over: they are here to stay. The Affordable Care Act ("ACA"), in order to employ quality measures to improve patient care and reduce overall expense, directed the Secretary of Health and Human Services to create a Medicare shared savings program called an Accountable Care Organization ("ACO").[2] The 429-page ACO regulations, enacted in October 2011, expand on the four pages of the ACA that created the voluntary shared savings program and provide a complex structure for organizations desiring to become Medicare ACOs.[3]

The subsequent judicial challenges to the ACA caused many providers and others in the healthcare arena to put off decisions as to whether and how to prepare for these new reimbursement models. The US Supreme Court's decision in June 2012 upholding most of the ACA seemed to eliminate questions about the likelihood of ACOs coming to fruition.[4] Nonetheless, many viewed the impending November 2012 presidential election as another reason to "wait and see." President Obama's re-election eliminated uncertainty about the continued viability of the ACA and healthcare reform, at least in the "near" term. Many of the provisions of the ACA are already in effect, and the implementation timetable continues to move forward. If anything, change is accelerating.

Although "ACO" in the strictest sense, refers to Medicare "Accountable Care Organizations" organized and accredited under the ACA, the use of the term in common parlance has expanded to refer collectively to the myriad of new reimbursement models that have proliferated in the new healthcare environment, many of which were initiated prior to the enactment of the ACA. Indeed, the shared savings model put forth in the ACA and the ACO implementing regulations was an outgrowth of other similar shared savings programs already well underway in many innovative forms including pay-for-performance pilot programs and private shared-risk payment models initiated by health insurers and large self-insured employers. Many of these initiatives included efforts to explore the efficacy of the Patient Centered Medical Home as a model for the creation of community-based multi-specialty collaborative care teams that coordinate the entire continuum of care.[5]

Despite the use of the word "organization" in the name ACO, these new reimbursement programs are not so much entities as they are networks of providers willing to function under a common set of delivery and financing principles to provide high-quality efficient care and to share in the benefits (and costs) of that system with payors. The common thread linking all of these ACOs is the shift from fee-for-service to value based reimbursement. "Value" is determined by performance on quality metrics and patient satisfaction measures. Medicare ACOs, for example, will participate in shared savings based on their ability to hit performance indicators that include both clinical quality performance metrics and subjective measurement of care through tracking of patient experience measures.[6]

This intensified link between quality/safety/satisfaction and reimbursement makes the demonstrable ability to achieve quality and enhance the patient experience more important than ever. Historically, physicians are accustomed to being measured on their own individual performance, and then measured against an agreed upon benchmark or standard. An accountable care

environment introduces the added pressure of "relative" performance: the movement to higher quality and lower cost means that physicians must also be able to demonstrate their high performance as compared to their peers.

Physicians already participating in ACOs as well as those wishing to be "attractive" to new reimbursement models can deliberately and incrementally prepare for success by implementing expanded team coordination policies, focused patient engagement strategies and new documentation processes:

- Choose and implement quality measures that are tied to reimbursement metrics, for example, the new pre-op evaluation protocol for joint surgery to reduce preventable readmissions.
- Clinical management protocols between primary care providers and specialists, such as the Primary Care/Specialist Care Coordination Agreement, that manages transitions of care including referrals, test-tracking and follow-up tracking can improve communication and coordination.
- The Mid-level Protocol can enhance effective deployment and use of these important resources.

New patient engagement strategies can improve quality outcomes and patient satisfaction:

- Use care planners to help patients navigate through the system and to help them understand their role as partners in their care.
- Implement the "next-generation" patient management protocols to help patients take responsibility for their own care.
- A patient portal can be an effective tool for electronic follow-up, patient education and ongoing documentation of patient compliance.

New reimbursement programs will require practices to collect and analyze quality, utilization, and cost data to assess the performance of individual physicians and ensure accountability, hastening the inevitable shift to EMRs:

- Optimize use of your EMR by working with your vendor to customize it to meet your practice's needs:
  - Develop a "tab" to continuously document patient engagement
  - Carry out the EMR risk assessment to boost effective data.
- Use the newly created "dashboards":
  - Educate your practice about quality measures
  - Confirm your practice's implementation and compliance.

ACOs are here...and the time to prepare is *now!*

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[2] The Patient Protection and Affordable Care Act, (H.R. 3590) (Pub. L. 111-148, 124 Stat. 119).

[3] 76 FR 67802 (2011)

[4] *National Federation of Independent Business v Sebelius*, 567 U.S. ___ (2012)

[5] For example, Blue Cross Blue Shield of Michigan's Patient-Centered Medical Home Program, CIGNA's Collaborative Medical Home, and CareFirst BlueCross BlueShield Medical Home Program.

[6] 76 FR 67802 (2011)