Accountable Care Organizations 101

Iowa Legislative Briefing

February 13, 2013

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Best Outcome for Every Patient Every Time

Speakers

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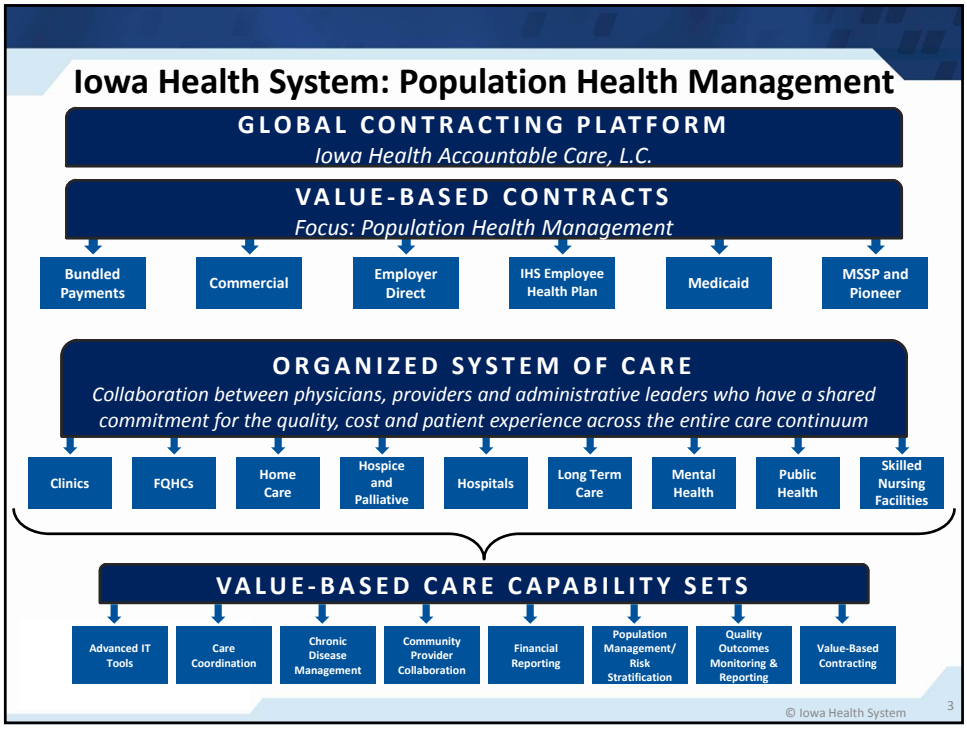

ACO History

- **2006: "Accountable Care Organization" coined at Dartmouth Medical School**
  - Health care providers assume financial risk to payment rate to deliver high-quality patient outcomes of a defined population
- **Iowa Health System's (IHS) path to accountable care:**
  1. **IHS employees and families** – System wide (IA and IL)
  2. **Pioneer ACO for Medicare** – Fort Dodge
  3. **Medicare Shared Savings Program (MSSP)** – Cedar Rapids, Des Moines, Peoria (IL), Quad Cities/Muscatine, Quincy (IL) and Waterloo
  4. **Wellmark ACO** – Cedar Rapids, Des Moines, Fort Dodge, Quad Cities/Muscatine and Waterloo

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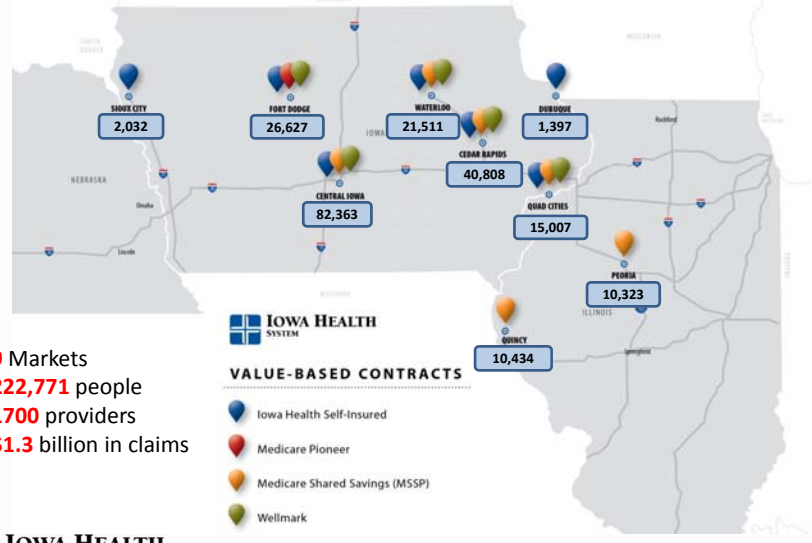
Iowa Health Accountable Care (IHACO)



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222,771 people
1700 providers
$1.3 billion in claims

Updated 11/12/12

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Which Payer is Missing?

MEDICAID

- **States are exploring ACOS for Medicaid programs**
  - Colorado, Minnesota and New Hampshire
- **In Iowa: IHS and IME are developing a pilot project for Medicaid recipients in the Fort Dodge region**

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What is a Medicaid ACO?

- **Whether the payer is Medicaid, Medicare, Wellmark or other insurance:**
  - **ACO goals are universal**
    - Better care
    - Higher quality
    - More value
  - **ACO clinical programs are universal**
    - Specific programs for target population and specific person, depending upon needs

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What a Medicaid ACO is <u>Not</u>

- **An HMO or Managed Care**
  - Third-party organizations that contract directly with health care providers to offer care to a defined group of patients
  - Per Member Per Month (PMPM) fees to assume all risk/gain with limited quality or success
  - Focus on cost with limited on quality or performance measures
  - Lower cost by denying care and ratcheting down utilization

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Why Do We Need a Medicaid ACO?

- **Current care delivery is episodic and fragmented**
  - Many patients **lack a primary care provider**
  - **Patients are accessing primary care via ED** visits
  - **No care coordination** results in **duplicative services** and **heightened health care costs**
  - **Behavioral health is not integrated** with medical care
  - Patients and providers are **frustrated**

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Current State: A year in the Life of a Patient

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Source:
Johns Hopkins, RWJ 2010 (G Anderson)

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ACOs Transform Care Delivery

Current State:

Medicaid patients face challenges of higher acuity levels and more complex disease states

Fee-For Service View:

Acute, episodic care focuses on non-compliant patients

ACO View:

Holistic, patient-centered care shifts focus from non-compliant patients to root causes of delivery system failures

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But what about health care costs?

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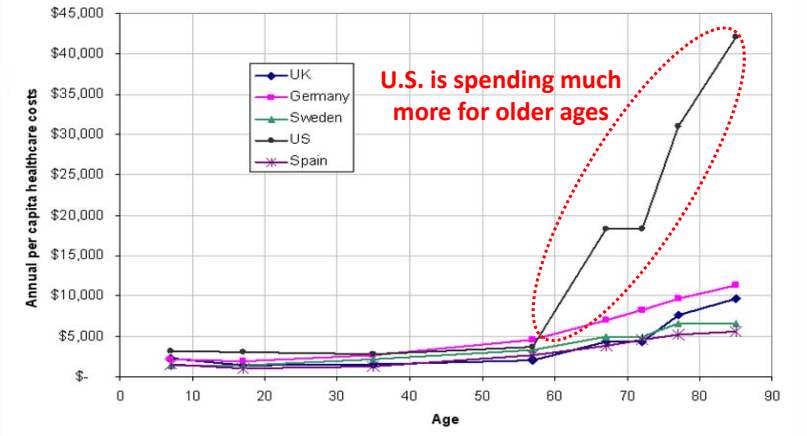
Bending the Cost Curve



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Source: Fischbeck, Paul. "US-Europe Comparisons of Health Risk for Specific Gender-Age Groups." Carnegie Mellon University; September, 2009.

Medicaid Spend and Enrollment

- **IME is the Second Largest Health Care Payer in Iowa**
  - Iowa total spend = $4 billion (state and federal $)
  - 2013 projected enrollment = 650,000
- **Impact of Optional Medicaid Expansion (138% FPL)**
  - Iowa new spend 2014-20 = $171.2-$535.6 million
  - Iowa new enrollment 2014-16 = 110,000-181,000

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Medicaid insures 21% of Iowans

Delivery Reform in Medicaid is Needed to Deliver High-Quality Care and Program Efficiency

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Proposed Medicaid Pilot

- **Built upon success of Pioneer ACO in Fort Dodge and continual improvement from other regions**
- **Key components:**
  - Clinical initiatives proven to deliver high-quality care
  - Collaborative efforts with community partners, including state and county Public Health Departments
  - Financial model transitions from FFS to shared savings with an end goal of global payment

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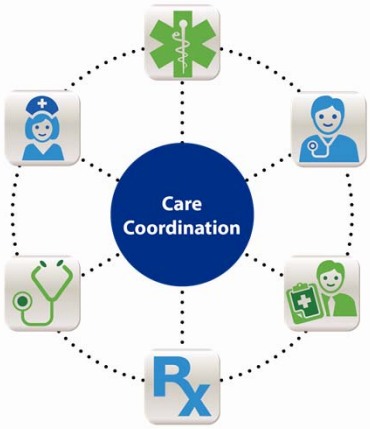

CARE COORDINATION

Tenet to Transform Clinical Care

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The Goals of Care Coordination

- **The ACO Model encourages health care providers to work together to:**
  - **coordinate patient care** across the care continuum
  - **enhance communication with patients** and among **physicians, providers and community utilities**
  - **improve access** to health care professionals
  - **empower patients and families** to make informed choices about their care
  - create a more **efficient and cost effective care delivery system**

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BEYOND THEORY

Examples of ACO Clinical Initiatives throughout IHS that Result in High Quality and Efficiency

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Fort Dodge - Trinity Pioneer ACO

1 of 32 CMS Pioneer ACO Model sites in the U.S.

1 of 2 rural sites

Population Health Strategies Across Health Stages

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Trinity Pioneer ACO Initiatives

- Palliative Care
- Advanced Medical Team
- Medication Therapy Management
- Care at Home – Hospital and Clinic
- Wound Care Coordination
- Readmissions

Trinity Care at Home

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Trinity Pioneer ACO Care At Home Results

Reduced Hospital Readmissions
June 2012 Readmission Rate – 14%
July 2012 Readmission Rate – 9%

Patient Experience

Comparison to National Average

Questions	Pioneer ACO	Iowa State Average	National Average
Number of completed surveys	355		
Response rate	46%		
Percent of patients who reported that their home health team gave care in a professional way	90%	89%	88%
Percent of patients who reported that their home health team communicated well with them.	90%	86%	85%
Percent of patients who reported that their home health team discussed medicines, pain, and home safety with them.	85%	85%	83%
Percent of patients who gave their home health agency a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest)	89%	86%	84%
Percent of patients who reported YES, they would definitely recommend the home health agency to friends and family	80%	82%	79%

Percentages reflect data from April 2011 - March 2012
Information obtained from www.medicare.gov

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Waterloo Region

MSSP Participant since July 2012

ADVANCED MEDICAL TEAM (AMT)

- Interprofessional expert team supporting the medical home in the care of a complex, chronically-ill patient population
- AMT services are tapped when standardized, best practice care delivery continues to fail and puts the patient at risk for inappropriate health care utilization
- AMT conducts initial and periodic expert case review
- Case reviews result in highly individualized care plan recommendations

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Results of AMT Program

- **54% reduction in hospitalizations**
- **75.3% reduction in total hospital utilization costs** (avoided hospitalizations and decreased LOS)
- **49.9% reduction in average hospital costs per patient** (decreased LOS)

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Des Moines Region

MSSP Participant since July 2012

INTEGRATED PALLIATIVE CARE PROGRAM

- Team-based care in support of the patient's medical home
- Goal: To improve quality of life by providing patients with relief from the symptoms, pain and stress of a terminal or debilitating condition
- Integrated into all health care settings

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Results of Integrated Palliative Care Program

- **Inpatient reduction in LOS and case margin =**
  - **$800,000 (first year)**
  - **$1.8 million (second year)**
  - **$2.1 million (third year)**
- **Outpatient = 67% reduction in patient costs**

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Cedar Rapids Region

MSSP Participant since July 2012

EMERGENCY DEPARTMENT CONSISTENT CARE PROGRAM

- Engaging patients with high ED utilization in the patient-centered plan of care
- Establishing or connection plan of care with a Medical Home
- Reducing higher costs ED utilization and accessing more appropriate care
- Involving social workers to coordinate health, medical and human service needs with community utility services
- Team care shifted from acute episodic care to entire care continuum

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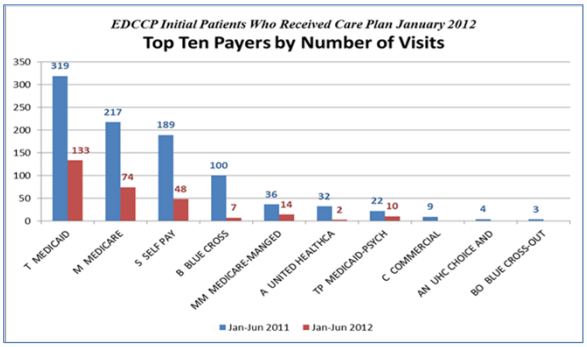
E.D. Consistent Care – 6-month Results

In 2 year period from June 2011 to Dec 2012:

- **Reduction in ED visits = 1,142**
- **Reduction in cost = $1,113,728**
- **70% reduction in ED visits**
- **244 care plans created for patients**

Results indicate more than $100,000 per month in cost avoidance

56% of visits are paid for by the Medicaid program



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Quad Cities Region

MSSP Participant since July 2012

BEHAVIORAL HEALTH CO-LOCATION PROGRAM

- Primary care providers are the behavioral health provider for up to 50% of all persons seeking behavioral health services
- Behavioral health specialists are located in a primary care or community utility setting and psychiatrists are available for consultation and referral as needed
- Primary care providers are co-located within the community mental health center

2010 PILOT RESULTS

- **For 400 SMI patients, less than 1% were hospitalized in any given month, and 89% received annual physicals**

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Sioux City Region

PACE (Program of All Inclusive Care for the Elderly)

- First Iowa program (2008)

PACE Program as basis for "PACE Lite" development

- Team-based care coordination for high-risk, highly complex patients (55+ years) to keep within the community
- Lessons learned for dual eligible population
- Managing costs/quality in a full risk model
- Target appropriate sites of care
- Health/Medical and Human Services are equally important

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PACE Program Results

- **Predicated on high-risk population with large % of dual-eligibles**
- **Reduction in readmission rate 35%** (July-Dec 2011) **to 18%** (Jan-August 2012)
- **Progress in hospitalizations – 7.8%** (goal < 6%)
- **Progress in living situation** – 12% reside in nursing homes (goal < 10%)

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Dubuque Region

HOME CARE READMISSIONS REDUCTION PROGRAM

- Patient-centered plan of care
- Decrease high cost utilization
- Cross-continuum team planning and collaboration
- Intensive status updates for patients

RESULTS

- **Readmission numbers have fallen by 1/3 – far below the national average**

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Questions?

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