

# ACCOUNTABLE CARE ORG. (ACO)

Steve Eckstat D.O.  
Interim CEO Mercy Clinics Inc.  
Division Leader Primary Care

## Definitions

- ▣ Groups of providers who are jointly held financially accountable for meeting quality benchmarks and reducing the rate of spending growth - Affordable Care Act (ACA) 3/23/10
- ▣ Current Model: Fee for service with increased quantity leading to increase costs
- ▣ Proposed Model: Managed care and shared savings with increased quality, decreased cost and increased patient satisfaction.

## Purpose

- ▣ Increase Quality, Lower Costs, Improve patient Satisfaction and improve Outcomes.
- ▣ Triple Aim: Reduce Costs, Improve Quality, and Enhance the Patient Experience.
- ▣ Rewards for Value not Volume

## Who would qualify to be an ACO and Why?

- ▣ Some entity needs to figure out how to distribute bundled payments for an episode of care or managing a defined population of patients.
- ▣ IPA
- ▣ Hospital Staff
- ▣ Multi-Specialty Group
- ▣ Any integrated system that can be held accountable

## Elements of an ACO

- ▣ Primary care physicians are the only type of provider mandated by statute that must be in all Medicare ACOs. Family Practice and Internal Medicine are mentioned specifically
- ▣ Can be primary care only, but must have a process of access to specialty care and hospital.

## Obstacles

- ▣ Rules: Initially 1300 pages in CMS regulations but after significant public comment down to 696 pages.
- ▣ Quality reporting requirements: Initially 65 and now down to 33.
- ▣ AEHR (EMR) initially required but waived for now.
- ▣ Toughest part will be to get all the physicians to play well together.

## Incentives

- ▣ Up front dollars from CMS
- ▣ CMS Primary Care Initiative: Funded via ACA and unveiled 9/28/11. Aim is to pay Primary Care Physicians for services currently not being paid for such as; Creating Care Plans, Reviewing test results over the phone, and Chronic Disease Management outside the traditional office visit.
- ▣ The program aim is to “recognize the ability of primary care to lower costs and improve health outcomes” Dr. Baron of CMS

## What does this mean for the Practice of Medicine ?

- ▣ One of many proposed payment models: 50% Fee for Service, 20% Care Management, 30% Performance Incentives ( process and outcome goals and patient satisfaction )
- ▣ Shared Risk Models
- ▣ Finally a Recognition of Primary Care as the most important players in health care reform to provide improved quality and outcomes at lower cost and improved patient satisfaction for our citizens along with the financial incentives to do so.