Five Steps to ACO Success

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Last year, accountable care organizations (ACOs) were the shiniest toy in the health care reform box. This year, the shine rapidly is starting to tarnish as the hard work of implementation begins. It’s actually not all that surprising. Embracing the ACO model is one thing; getting it off the ground and making it work successfully are something else.

That message came through loud and clear in the February 25 letter from more than half of the Pioneer ACOs, the flagship Medicare program created by the Centers for Medicare and Medicaid Services (CMS). In it, 18 of the 32 Medicare Pioneer ACOs asked for a one-year delay in the planned transition from just reporting on quality measures to actually being paid for their performance in meeting those measures. The ACOs could drop out of the Pioneer program if they don’t like what happens next with CMS.

The Pioneer letter is symptomatic of the growing pains ACOs are experiencing. To be sure, the ACO concept is a work in progress, and implementation will undoubtedly be iterative. Point-of-Care Partners (POCP) is helping ACOs by leveraging its expertise in health information technology (HIT) and in-depth knowledge of payer and provider business models.

As the ACOs roll up their sleeves for the long haul, POCP has identified five steps ACOs must take to assess readiness and successfully move forward.

1. **Assess gaps and define requirements.** Successful ACOs must define where they are now, where they want to be and what it will take to achieve a defined amount of change. The nucleus of an ACO is its provider network, especially primary care physicians (PCPs). Gap assessment begins with a targeted evaluation of the diverse set of information technologies likely to be implemented across the provider network. This includes that which exists today as well as a broader view of what is needed in the future. The technology variations among PCPs being absorbed into an ACO must be addressed. The analysis will need to consider assumptions about the ACO’s size, resources and market environment. It must identify gaps in capabilities to proactively manage predefined populations as well as effectively coordinate care with interoperable electronic health records (EHRs) connected to a health information exchange. Then, an assessment is needed of revenue cycle management and reporting capabilities for use at the ACO level.

2. **Develop solutions.** Designing solutions to address gaps and requirements is a complex process, starting with the kinds of analyses described above. Successful ACOs will need a variety of technologies – more than certified EHRs, core revenue cycle management systems and sexy reporting measures. They must have a robust infrastructure to manage and share data. In designing solutions for specific technologies and related infrastructure, ACOs also must take into account a number of dimensions and implementation horizons. These include
organizational objectives, staffing and skills, management systems, legal and regulatory concerns, priorities, acquisition processes and time frames, and capital budgets and their cycles.

3. **Construct the roadmap for access, management and exchange of data.** Successful ACOs will need to have access to a variety of data – from EHRs to claims, pharmacy and revenue cycle data as well as input from patients. They also will need new technologies to exchange external data and marry them successfully with internal ACO data. Just having internal data from EHR silos is not enough anymore. A roadmap will be needed to manage the moving parts and data streams, as well as meet disparate, interlocking implementation timelines. Payers and a new cohort of business associates will need to share data with the ACOs, which will require a new way of thinking and new business models. It will be critically important for ACOs to gain access to claims, especially drug claims. These will provide the longitudinal history a clinician needs to effectively manage care transitions, develop care plans, manage chronic diseases and keep patients well.

4. **Transform data into actionable information.** ACOs need data, but they have to make sense of those data so they can act appropriately. Robust analytics will be needed to identify patients at risk and those needing outreach for care, compare outcomes to utilization and costs, track progress on quality measures, measure costs and compliance, and compare performance against peers. Data from disparate sources must be transformed into actionable information at the point of care to detect gaps, provide accurate, up-to-date assessments and support evidence-based care across the continuum. Data from various sources will need to be translated into actionable information at the point of administration to manage contracts across the risk continuum, including calculating performance-based bonuses, risk adjustments and capitation. Critical to success will be the transformation of a variety of data streams into actionable information for quality reporting. While many organizations have done this, including Medicare Advantage plans, one size does not fit all and the “right” kinds of data may not be obtained so easily. These were core points in the Pioneer ACO letter. Going forward, robust analytics will help ACOs determine the most effective benefit designs, incentive structures, patient engagement mechanisms and clinical and management intervention strategies.

5. **Begin a cultural shift.** Physicians, hospitals and other ACO participants must work together to accelerate the move to a patient-centered care delivery model. A cultural shift must take place that is enabled by higher quality information at the point of care and a technology platform to engage patients in their health care. The focus on patients – involving them as active participants and engaging them in their own health care – will be challenging for hospitals, physicians and other ACO participants. Another kind of cultural shift also is
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needed to create heightened collaboration between payers and providers, which is central to ACO success. This was the subtext of the Pioneer ACO letter. It clearly signals that CMS must change its modus operandi. CMS must work from the start with the providers to achieve consensus on the set of quality measures that will be used. That appears to be what some commercial payers, such as Aetna and Cigna, are doing with their payer-provider ACOs.

As ACOs move forward, Point-of-Care Partners is ready to help. E-mail me (bill.hein@pocp.com) to discuss how we can help take your ACO to the next level.