

# How to Determine Your ACO's Readiness to Move Toward Risk

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## Speakers:

- Sanjay Seth, M.D., Chief Medical Informatics Officer, HealthEC
- Cliff Frank, Interim Executive Director, Shore Quality Partners



# Caveats and Limitations

- This presentation and question and answer session is not intended to be an actuarial opinion or advice, nor is it intended to be legal advice.
- Any statements made during the presentation and subsequent question and answer session shall be an opinion of the presenters.
- In preparing this presentation, we relied on data and information from the Centers for Medicare & Medicaid Services (CMS). We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the information we present may likewise be inaccurate or incomplete.
- This presentation reflects our combined experience working with provider organizations and health plans. Each organization's circumstances, beneficiaries, and infrastructure are unique. We present general information about risk contracting and population health management that is not intended to be a specific actuarial opinion or advice.



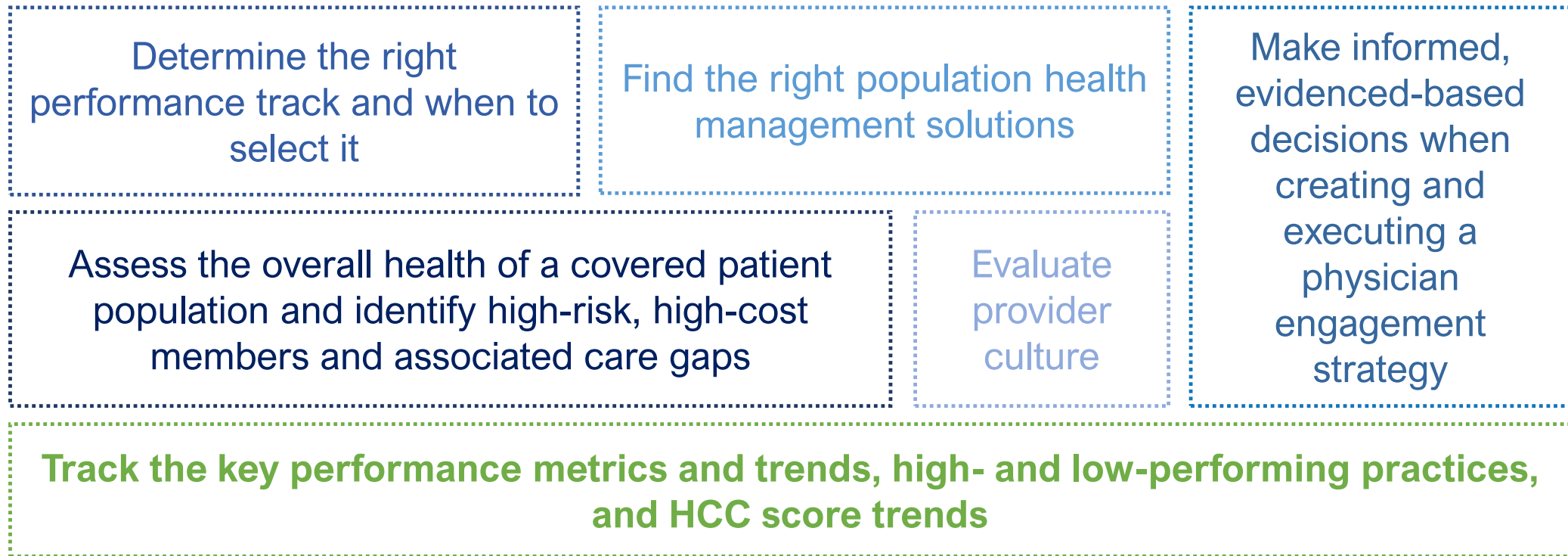
# Leadership Influence

“The time has come to put real ‘accountability’ in Accountable Care Organizations.”

*Seema Verma – CMS Administrator*

# Aligning ACOs with CMS' Value-based Initiatives

As provider organizations prepare for “Pathways to Success” and determine their best approaches for aligning with CMS’ accelerated risk path, ACOs have important decisions to make in order to ensure their success under CMS’ value-based initiatives, including how to:



# Problem Statement

What performance track should an ACO select for Pathways to Success?



# Considerations for the New Program



Track Options



Multiple Risk Levels



Multiple Entry Points



Experienced vs. Inexperienced



Low vs. High Revenue



Benchmark Changes



Assignment Changes



Attribution Methodology Changes



Agreement Length

# Critical Differences Existing vs. New

NOW	FUTURE
Retrospective attribution	Choice prospective or retrospective attribution
Track 1 (no downside risk)	Track C, D, E (downside risk)
No telehealth	Telehealth coverage Added
No member notification required	Member notification required
No beneficiary incentive program	Beneficiary incentive program, up to \$20
70% regional and 30% historical benchmark	50% regional and 50% historical benchmark





# Assessment I – Infrastructure and Operations

## Review Staffing

- Current
  - Office Manager Education
  - Office Staff Education
  - Care Coordinator or the functions
    - › Home/Family visits, Medication Management, Member Outreach, Chronic Care and Transition of Care
- Additional
  - Social Worker/Discharge Coordinators
  - Home Health Partner

## Data Platform

## Analysis – Support

## Executive/Governance Structure

- Administrative Leadership
- Clinical Leadership
- Formal and Informal Leadership Engagement



# Assessment II – Physician Culture & Engagement

Our experience is that by having physicians directly at limited financial risk, it will increase active physician engagement.

- PCPs must drive leakage down.
- PCPs must focus their referrals to high performing specialists
- PCPs must drive patient wellness – immunizations, annual visits, regular visits for high-risk patients, transitions of care visits, medication reconciliations often.
- PCPs must work-in these Medicare patients to keep small issues small.
- PCPs must be at direct but limited financial risk



# Assessment III – Shift on Key Cultural Paradigms

## Leakage/Keepage

- Are the PCPs receptive
  - Especially strength of existing friendships
  - Change to medical group specialist keepage

Hospital Out-Patient or  
Free-standing Facilities Use

## What Support Will be Offered for Admission and Readmission Reduction

- TOC Visit Support
- SNF Network Use and Management
- High Utilizers and Non-Emergent ER User

Data! Data! Data!  
For All Decisions

Move to Focus on Patient  
Satisfaction



# Assessment IV - Funding Risk

1

PCP Membership Fee

2

Net Collections from Reinsurance

- Aggregate or specific

3

Medicare Advantage Stars  
Program Bonus

4

Previous Year Bonus Carryover

5

Bonus Deductions

- Performance Penalties retained and not paid out for suboptimal performers
  - Cost
  - Quality
  - Network Utilization

6

Hospital/Investor Line of Credit



# ACO Information (cont'd)

## ▶ Will need to start in Track C – straight to Risk

- 5-year contract
- Can discontinue any time but still responsible for that calendar year
  - At Risk (% of total revenue)
    - › Year 1 – 1% downside, 10% bonus
    - › Year 2 – 2% downside, 10% bonus
    - › Year 3 – 4% downside, 10% bonus
    - › Year 4 – 4% downside, 10% bonus
    - › Year 5 – 4% downside, 10% bonus
- Up to 50% Shared Savings
  - Based on quality
- Minimum Savings Rate – 3.0%

## ▶ Top 1% of claims cost per member excluded

## ▶ Risk adjusted as compared to Benchmark

- 3% risk adjustment cap over the agreement period



# Which PHM Solution Is Right for You?

Ensure value by selecting the right population health management solution for your ACO

Transition to value-based care, optimize contract negotiations with payers, and boost clinical and financial performance by closing gaps in patient care and developing targeted, personalized care plans and interventions.

- ✓ Raise MSSP performance by leveraging platform functionality and reporting features
- ✓ Easy-to-read dashboards that help close gaps in care
- ✓ Deliver comprehensive reports to help providers understand performance and trends on contractual quality metrics
- ✓ Integrate behavioral health and social determinants of health assessments
- ✓ Streamline chronic care management and annual wellness visits for maximum reimbursement
- ✓ Submit data on behalf of participating providers for [MIPS/MACRA](#)
- ✓ Submit GPRO data for the ACO



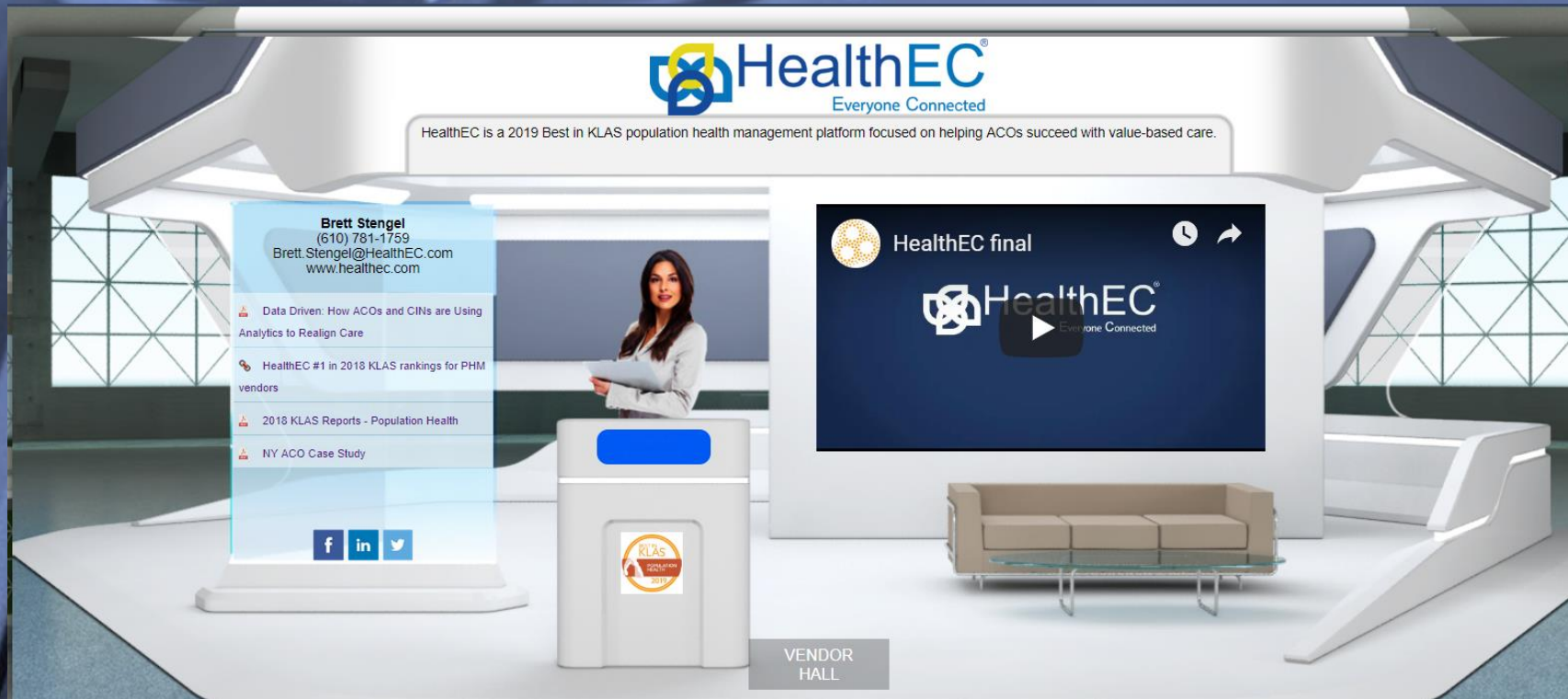


A blue-tinted photograph of a stethoscope resting on a laptop keyboard. The stethoscope's chest piece is in the foreground, and its tubing extends towards the top of the frame. The laptop keyboard is partially visible, with keys like F1, F2, and Esc clearly shown. The overall image has a professional, medical feel.

# Questions and Discussion

# Stop by our ACO Exhibit Hall virtual booth

<https://www.acoexhibithall.com/vendor-booth/healthec/population-health-ii-software-tools-data-analytics/114/>





# Thank You

Dr. Sanjay Seth, M.D., Chief Medical Informatics Officer, HealthEC

[Sanjay.seth@healtheec.com](mailto:Sanjay.seth@healtheec.com)

Cliff Frank, Interim Executive Director, Shore Quality Partners

[Cfrank@partnerahealth.com](mailto:Cfrank@partnerahealth.com)

[HealthEC.com](http://HealthEC.com)

[Shorequalitypartners.com](http://Shorequalitypartners.com)

[ACOExhbithHall.com](http://ACOExhbithHall.com)