

Are ACOs Delivering on Their Fullest Potential?

MONDAY, JANUARY 12, 2015

3:00 pm - 4:30pm Eastern

JENNIFER EAMES HUFF

Director, Consumer-Purchaser Alliance, Pacific Business Group on Health



Jennifer Eames Huff, MPH, is Director of the Consumer-Purchaser Alliance. In this role, she leads a policy team that represents the consumer and purchaser perspective in the development of health care performance measurement and its use in public reporting and value-based payment. Jennifer also leads efforts in influencing both national and California policy on a wide range of performance measurement-related issues on behalf of PBGH.

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Housekeeping: Please Note the Following

- All lines will be placed on mute during the presentation
- Questions can be asked throughout the webinar
 - After each presentation, questions for clarification
 - At the end of all presentations, general questions for any of the presenters
 - Please email C-P Alliance with any unanswered questions or comments: jeames@pbgh.org
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- A copy of the presentations and a recording of the webinar will be available online at: <http://consumerpurchaser.org/>

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Agenda

- Overview
 - **Jennifer Eames Huff**, MPH, Director, Consumer-Purchaser Alliance and Director, Advancing Policy, Pacific Business Group on Health
- Presenters
 - **Mark McClellan**, MD, PhD, Director, Health Care Innovation and Value Initiative, Brookings Institution
 - **Colin LeClair**, Executive Director, ACO, Monarch HealthCare
 - **Greg Marchand**, Director, Benefits Policy and Strategy, The Boeing Company
- Discussion and Wrap-Up
 - **Jennifer Eames Huff**

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Despite Promising Changes Health Care System Still Failing Us

UNSUSTAINABLE COST



20%

OF GDP BY 2021

\$700B

WASTE ACROSS U.S. SYSTEM

2X

COST PER CAPITA VERSUS
OECD NATIONS

VARIATION IN QUALITY



45%

CARE INCONSISTENT WITH
RECOMMENDED GUIDELINES

\$210B

UNNECESSARY SERVICES

3X

VARIATION IN HOSPITAL DAYS
IN LAST 6 MONTHS OF LIFE

LACK OF COORDINATION



17.8%

MEDICARE HOSPITAL
READMISSIONS

\$45B

ANNUAL COSTS FOR
AVOIDABLE COMPLICATIONS

\$91B

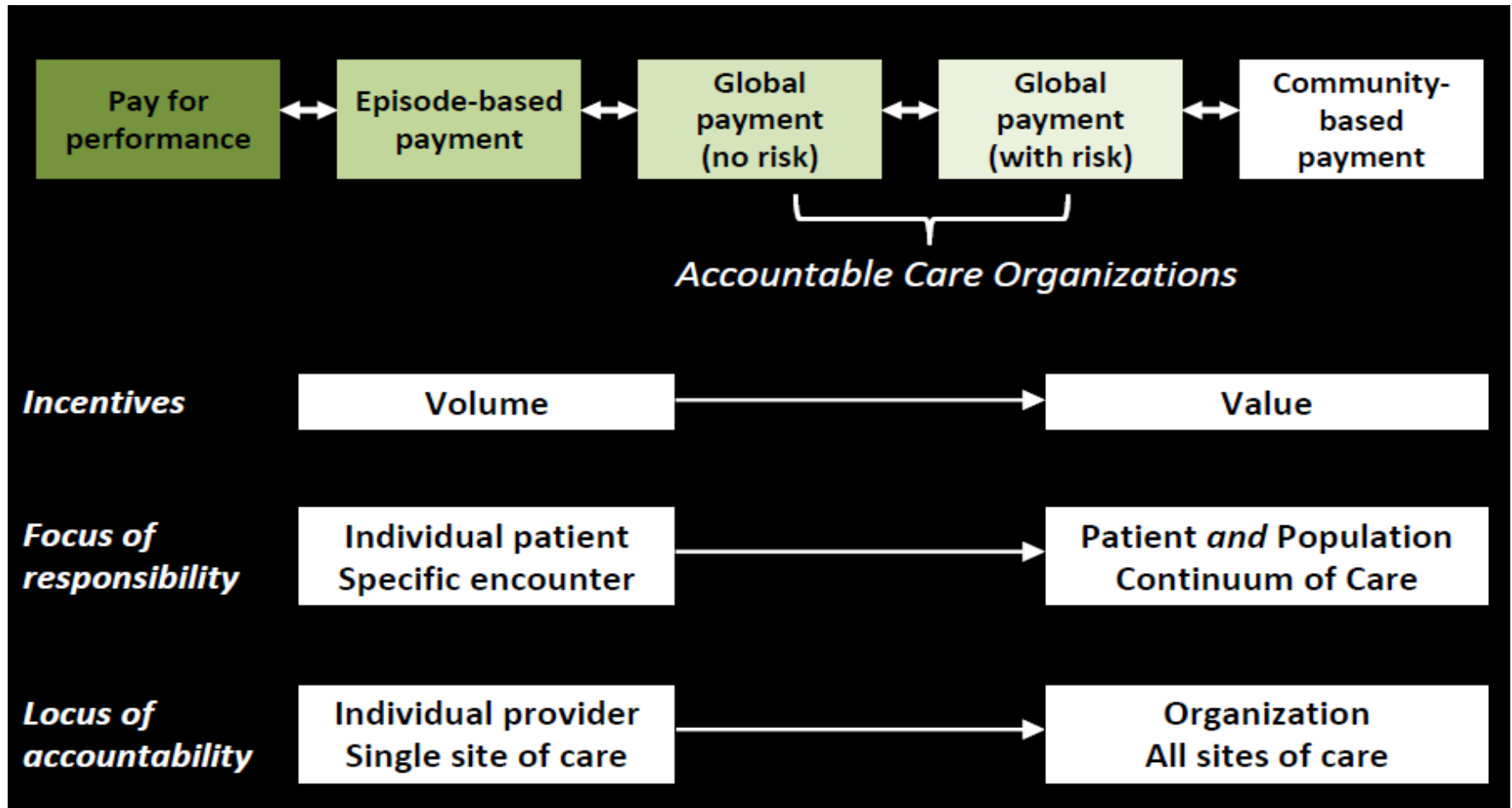
REDUNDANT
ADMINISTRATIVE PRACTICES

Source: Sam Nussbaum, MD, "Advancing Health Care Quality, Access, and Affordability Through Innovation"

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New Delivery and Payment Models Are A Solution to Ailing System



Source: Elliot Fisher, MD, MPH "The Long and Winding Road to Accountable Care"

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ACOs Come in Many Forms...

- Over 600+ ACOs in 2014

Pioneer	669,000	0.3%
MSSP	5.3 M	25.8%
Commercial	12.4 M	60.5%

- Leadership
 - Physician
 - Physician-Hospital
 - Hospital
 - State, County
 - FQHC

Source: Colla C H et al. *National Survey on ACOs*. Health Aff 2014;33:964-971

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...And Have a Mix of Capabilities

- Program to reduce readmissions
- Smooth transitions across care settings
- Advanced HIT capabilities
- Primary care providers Meaningful Users
- Comprehensive chronic care management
- Pre-visit planning, medication management, and preventive care reminders

Less than 50% of ACOs report having these

Source: Colla C H et al. *National Survey on ACOs*. Health Aff 2014;33:964-971

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Medicare ACO Programs Provide “On Ramp” to Global Payment

- Pioneer Program
 - Designed for those already experienced with coordinating care across settings
 - Years 1 & 2 – Two-sided shared savings
 - Year 3 – Population-based payment
- Medicare Shared Savings Program (MSSP)
 - Track 1 – Upside shared savings only
 - Track 2 – Two-sided shared savings

Quality measures same for both programs

What is in play for MSSP Proposed Rule?

- Payment
 - Changing slope of on-ramp
 - Accounting for what capabilities new ACOs bring to the table
 - Still no capitation
- Assignment and Patient Management
 - Managing patients in an open network
- Operational Efficiency
 - Ease of participation

Quality measures and benchmarks finalized Nov 2014

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Are ACOs Delivering on Their Fullest Potential?

- Are ACOs achieving meaningful savings?
- Do ACOs provide higher quality and coordinated care?
- Are ACOs providing a better care experience for patients than traditional care models?

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MARK MCCLELLAN

Director, Health Care Innovation and Value Initiative, Brookings



Mark McClellan, MD, PhD, is a senior fellow and director of the Health Care Innovation and Value Initiative at the Brookings Institution. Within Brookings, his work focuses on promoting quality and value in patient centered health care. A doctor and economist by training, he also has a highly distinguished record in public service and in academic research. Dr. McClellan is a former administrator of the Centers for Medicare & Medicaid Services (CMS) and former commissioner of the U.S. Food and Drug Administration (FDA), where he developed and implemented major reforms in health policy.

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COLIN LECLAIR

Executive Director, Accountable Care Organizations, Optum



Colin LeClair is the Executive Director of Accountable Care Organizations at Optum, with responsibility for ACO strategies and operations across Optum's California affiliates. Those include Monarch's Pioneer Model ACO, AppleCare's Medicare Shared Savings Program, and PrimeCare's Medicare Shared Savings Program. Mr. LeClair was previously a Senior Strategy Consultant at L.E.K. Consulting. Prior to joining L.E.K., Mr. LeClair spent nearly a decade in the Medicare Advantage space, leading operations and market expansion efforts at WellCare Health Plans, Bravo Health, and HealthSpring.

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GREG MARCHAND

Director, Benefits Policy and Strategy, Boeing



Greg Marchand is the Director of Benefits Policy and Strategy for The Boeing Company. He is also the process owner for Employee Benefits issues for Boeing Commercial Airplanes (BCA). Previously, Greg served as the Senior Manager of Health and Welfare Operations for The Boeing Company. He also serves as the Boeing representative to the Leapfrog Group and is a member of the Leapfrog Board of Directors. Prior to joining Boeing, he served as a consultant to the Kellogg Company and the W.K. Kellogg Foundation.

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