State of the ACO/ CI Movement

- November 2012, 318 ACO’s
- ACO activity in 48 states
- Medicare Shared Savings (MSS) applications continuing
- Approaching 8 million patients

Types of ACO’s

- Private Payers Only (CI MODEL)
- Public Payers Only
- Both

Health Affairs, Nov. 2012, p.2363
Achieving Value

- BQA Mission: “To achieve the highest quality, cost effective care possible for the patients that we serve through clinical integration.”

- Building infrastructure to manage populations is a great cultural and process change for hospitals and physicians

- Value (Q/C) will drive market share. Future success of Alliance members lies in achieving better value

Challenges in Moving to Value

- Pace
- Pressures on current business models: Value for whom?
- New focus on value for patients
- Growing awareness of Dis-integration of care, and need to clinically integrate
- Cultural, technological, and regulatory requirements for CI
A Difficult Transit

Fee For Outcomes (Value)
Triple Aim Achieved
Population business

Fee For Service
Admissions, visits
Procedures
Today’s business

Timing is Everything

Fee For Outcomes (Value)
Triple Aim Achieved
Population business

Fee For Service
Admissions, visits
Procedures
Today’s business

Morrison, Ian. The Second Curve
Board Reaffirmed BQA
...”Must Haves”

1. Build the Network
2. Clinically Integrate and Coordinate Care
3. Deliver Best Care at Best Cost
4. Actionable Data (IT Infrastructure)
5. Patient Experience
6. Contracts

So...what fundamentally is BQA about?

- Clinical Integration – across continuum of care
- Physician-hospital alignment….fair is what everyone thinks is fair.
- A promising vehicle to deal with health care reform
- A waste-harvesting mechanism via new payment mechanisms and CI
### BQA Challenges

- **Employed Physicians (HTPN)**
  - 4000; 2000+ loyalists
  - Large Multi-Site Specialty Groups
  - Afraid hospitals or HTPN trying to “take them over”
  - Don’t know strengths of HTPN
  - Need HTPN for PCMH Base
  - Don’t understand PCMH

- **Independent Physicians**
  - ~600; >300 primary care
  - Very mature processes; strong culture; recognized accomplishments
  - Almost 300 PCMHs!
  - Single EHR
  - Worried Independents “will slow down progress”; specialists might dominate primary care

- **Hospitals**
  - Strong FFS reimbursement
  - Regulatory, compliance
  - Needs broad physician network
  - Softening “margins”
  - Moving from FFS to outcomes based reimbursement
  - Concerned about timing
  - Market shifting towards outcomes-based payments more rapidly than anticipated

### Efficiency

- Is Baylor’s approach to efficiency efficient?
  - Multiple initiatives working on same general goals, often uncoordinated.
- Low understanding of “population view”
- If physicians align…..vs. if they don’t
- Hospital centric view examples
  - No current design to get data linkage with Post Acute Care providers?
  - Ambulatory and hospital Care Coordinators completely unlinked
  - Little physician involvement in Lean, and in strategic financial planning?
  - How do we balance known efficiencies with payment paradoxes?
Opportunities

BQA Best Care/CI Subcommittees
- Primary care
- Surgery
- OB/Gyn
- Ortho
- Neurosurgery
- Neurology
- Cardiology
- ED

Risk or Capitation
Bundled Payments
Shared Savings
Population Contracts

$ Rewards
Opportunities

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Lean, Supply Chain and Physician Preference driven Cost Saving initiatives

SC/ Devices/ OR Efficiencies

Devices, Processes

Cardiovascular/ ED

Risk or Capitation

Bundled Payments

Shared Savings

Population Contracts

$ Rewards

2013 Clinical Initiatives

- Back Pain – Reducing Unnecessary imaging
- Readmission Prevention
- Increasing Generic Prescribing
Population Dynamics

A Differential Approach
Each with Unique Needs

- Eliminate barriers to care
- Managed care site selection
- Super PCMH assignment $$$$ PMPM

- Intense patient training and education
- Active monitoring for all services
- PCMH assignment $$ PMPM

- Preventative services monitoring
- Health & Wellness services monitoring
- PCMH/$+ PMPM $$ PMPM
January 1, 2013

Discussion / Questions