KEYS TO HIT SUCCESS FOR ACOs: RESULTS FROM 2014 SURVEY

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Welcome

Jon Dimsdale
Director of Programs & Research
eHealth Initiative

Housekeeping Reminders

- **All participants are muted**
  - To ask a question or make a comment, please submit via the chat feature and we will address as many as possible during the Q&A.

- **Audio and Visual is through www.readytalk.com**
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- **Today's slides are available for download at www.ehidc.org under 'New Resources.' The audio recording will be posted within 48 hours.**

About Us

- eHealth Initiative's mission is to drive improvement in the quality, safety, and efficiency of healthcare through information and technology.

- Since 2001, eHealth Initiative is the only national, non-partisan group that represents all the stakeholders in healthcare.

- eHealth Initiative focuses its research, education and advocacy efforts in three areas:

  - Using Data and Analytics to Understand and Improve Care
  - IT Infrastructure to Support Accountable Communities
  - Connecting Communities through Interoperability and Data Exchange

- For more information, please visit www.ehidc.org

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Agenda

12:30 – 12:35 PM – Welcome

- Jon Dimsdale, Director of Programs & Research, eHealth Initiative

12:35 – 12:45 PM – Opening Comments – ACO Landscape

- Jeff Petry, Vice President of Strategic Initiatives, Premier, Inc.

12:45 – 1:00 PM – Presentation of Survey Results

- Jon Dimsdale

1:00 – 1:45 PM – Panel Discussion

- Jeff Petry, VP, Premier
- Stephen Nuckolls, CEO, Coastal Carolina Quality Care ACO
- Andrew Weniger, Product Strategy Officer, Cornerstone Health
- John Haughton, CMIO, Covisint

1:45 – 1:55 PM – Questions and Answers

1:55 – 2:00 PM – Closing Remarks

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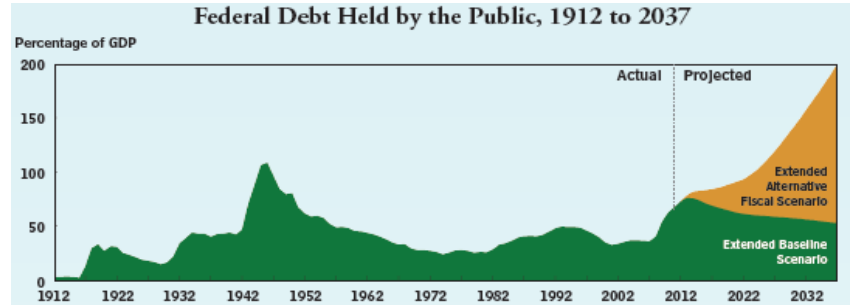
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Overview of ACO Landscape

Jeff Petry
Vice President of Strategic Initiatives
Premier, Inc.

Market pressure for ACOs continues to grow

Federal

Federal Debt Held by the Public, 1912 to 2037

Percentage of GDP

Actual | Projected

Extended Alternative Fiscal Scenario

Extended Baseline Scenario

State

STATE SPENDING PROPOSALS FOR 2012

$20 billion

Medicaid +15.9 billion

Higher education −5.0 billion

Public assistance −3.5 billion

Education −2.5 billion

SOURCE: NATIONAL GOVERNORS ASSOCIATION/NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

Employee / Commercial

Cumulative Increases in Health Insurance Premiums, Workers' Contributions to Premiums, Inflation, and Workers' Earnings, 1999-2011
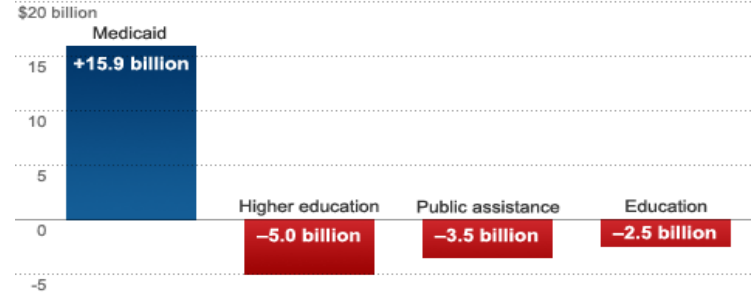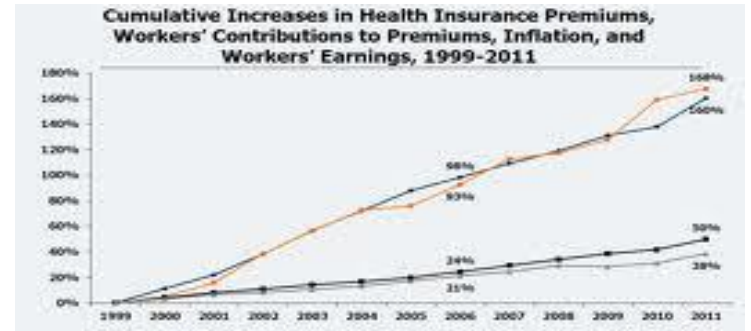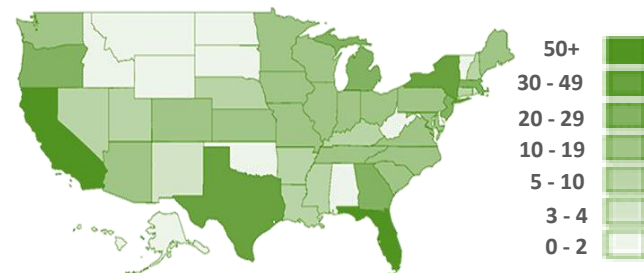
Federal ACO Growth

5.6 M Medicare lives in ACOs
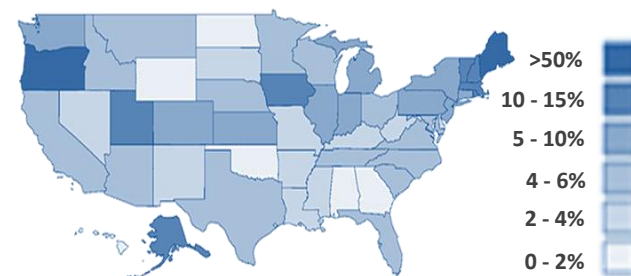- 1.5 million beneficiaries added 1/1/2014

Medicare-specific ACOs:
- 23 Pioneer ACOs
- Medicare Shared Savings Program (338 MSSP ACO)
  - » 4/1/2012: 27 ACOs added
  - » 7/1/2012: 89 ACOs added
  - » 1/1/2013: 106 ACOs added
  - » 1/1/2014: 123 ACOs added
  - » **1/1/2015: 120 anticipated new ACOs**

Number of ACOs

50+	
30 - 49	
20 - 29	
10 - 19	
5 - 10	
3 - 4	
0 - 2	

Percent of population covered by an ACO

>50%	
10 - 15%	
5 - 10%	
4 - 6%	
2 - 4%	
0 - 2%	

Composition of ACOs

Source: http://healthaffairs.org/blog/2014/01/29/accountable-care-growth-in-2014-a-look-ahead/
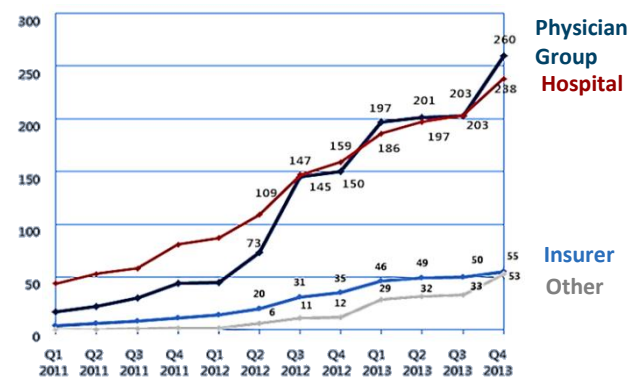
State-based Medicaid reform is expanding

ACOs: 14
Bundled Payment: 3
DSRIP: 8

★ Only Colorado and Oregon have statewide Medicaid ACO models

As of 8/04/2014

Bundled Payment models heating up

Employers Ramping up

Lowe's: early returns on Cleveland Clinic heart deal a 'home run'

October 19, 2010 10:08 am by Brandon Glenn | 0 Comments

Six months after it
Cleveland Clinic d
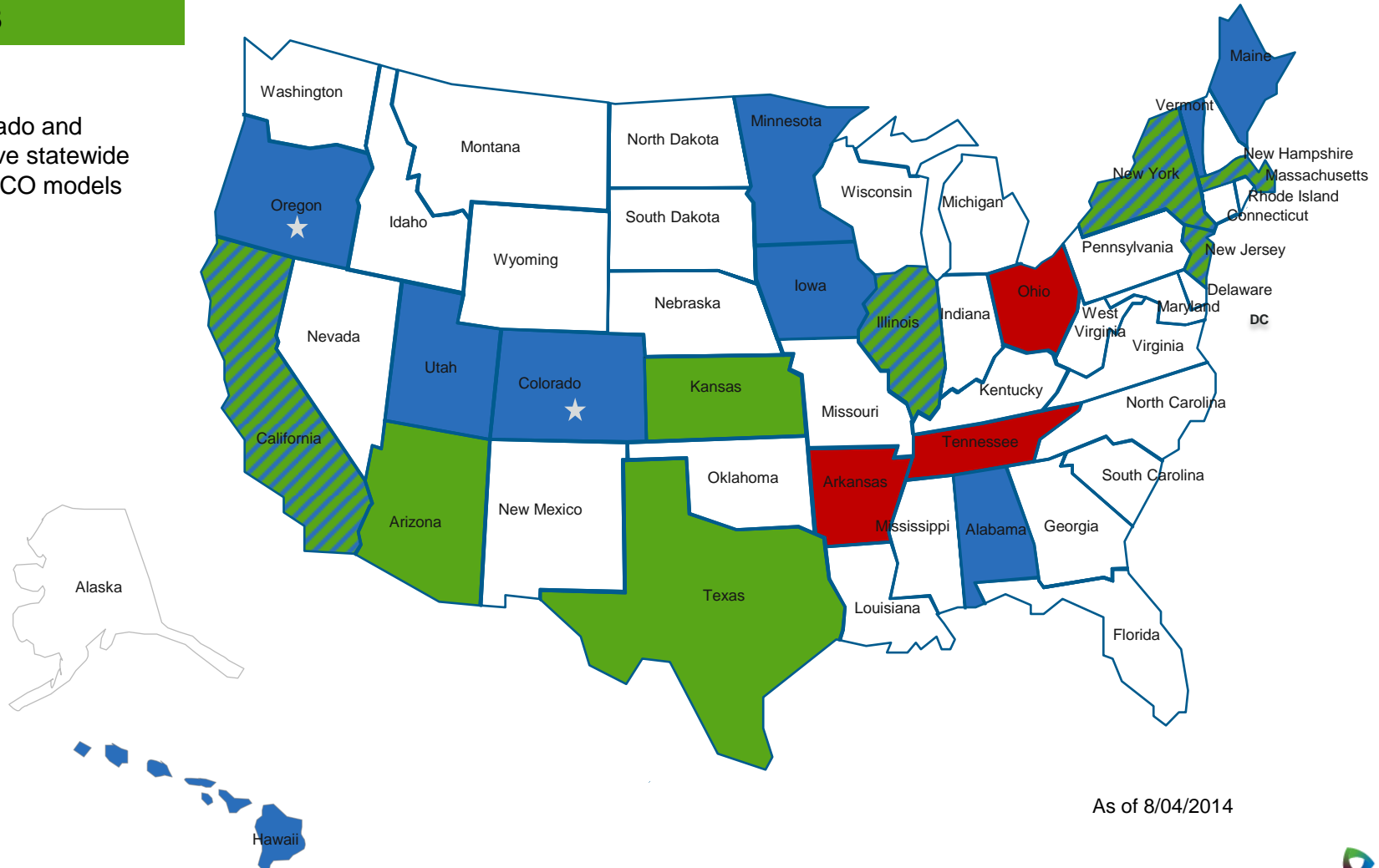surgeries on its em
home improvement
returns on the allia

That's because mo
chosen the Clinic f
North Carolina-bas
according to spoke

Walmart Employees to Receive Free Heart, Spine Services From 6 High-Profile Systems

Written by Sabrina Rodak | October 11, 2012

Social Sharing [icons]

Walmart has expanded a Centers of Excellence program involving bundled payments that will offer heart, spine and transplant surgeries at certain high-profile health systems and hospitals at no cost to the Walmart associates.

More health systems bundling payments to cut costs

August 24, 2012 | By Alicia Caramenico

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Carolinas HealthCare System now is offering bu
for certain heart patients and their employers, in
cardiac care costs, reported the *Charlotte Busin*
Under the bundled payment arrangement, the C
based health system will negotiate a flat fee for a
coronary artery bypass surgery. The new payme
gaining popularity among other major health sys
Clinic, who is in talks with defense contractor Bo
surgeries on Boeing employees for a bundled pa

## CMMI BPCI grows to 6,600+ providers

Overview of Survey

- eHI and Premier recently conducted a joint survey to assess how accountable care organizations (ACOs) in commercial and federal markets are leveraging health information and technology

- Areas of focus included:
  - health IT infrastructure and workforce capability
  - use of data, analytics, and health information exchange
  - opportunities and challenges

- To date, 62 responses have been received

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Stages of Formation & Operation

The majority of surveyed ACOs have been operating for 1+ years

**Pie chart values:** 7%, 2%, 8%, 20%, 20%, 35%, 8%
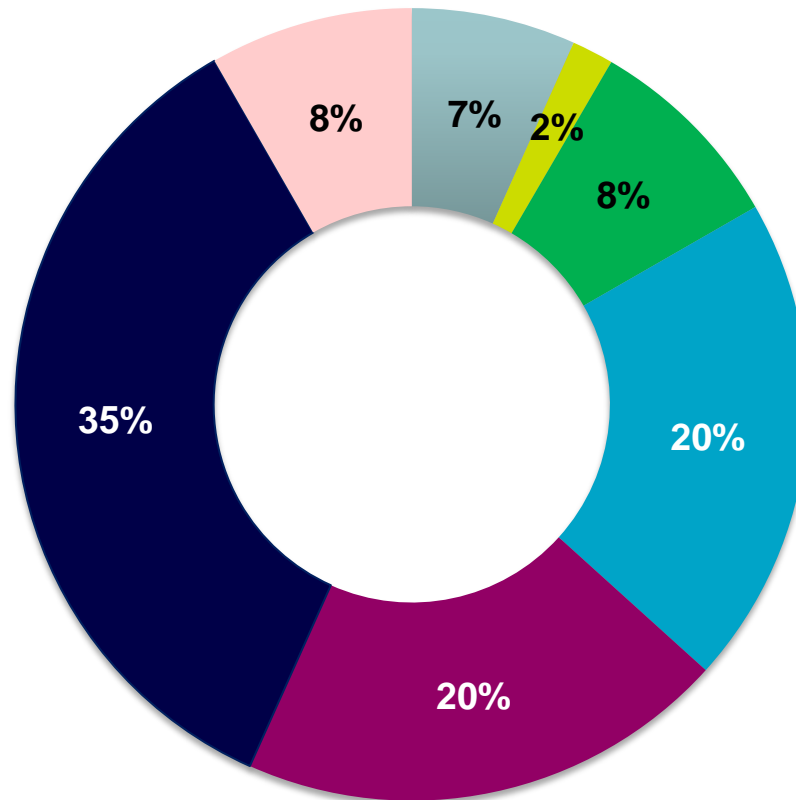
Legend:
- Early stages of formation (expect to launch within 12+ months)
- Intermediate stages of formation (expect to launch within next 6-12 months)
- Mature stage of formation (expect to launch within next 6 months)
- Early stages of operation (less than a year)
- Intermediate stages of operation (one year to 18 months)
- Advanced stages of operation (18 months to two years)
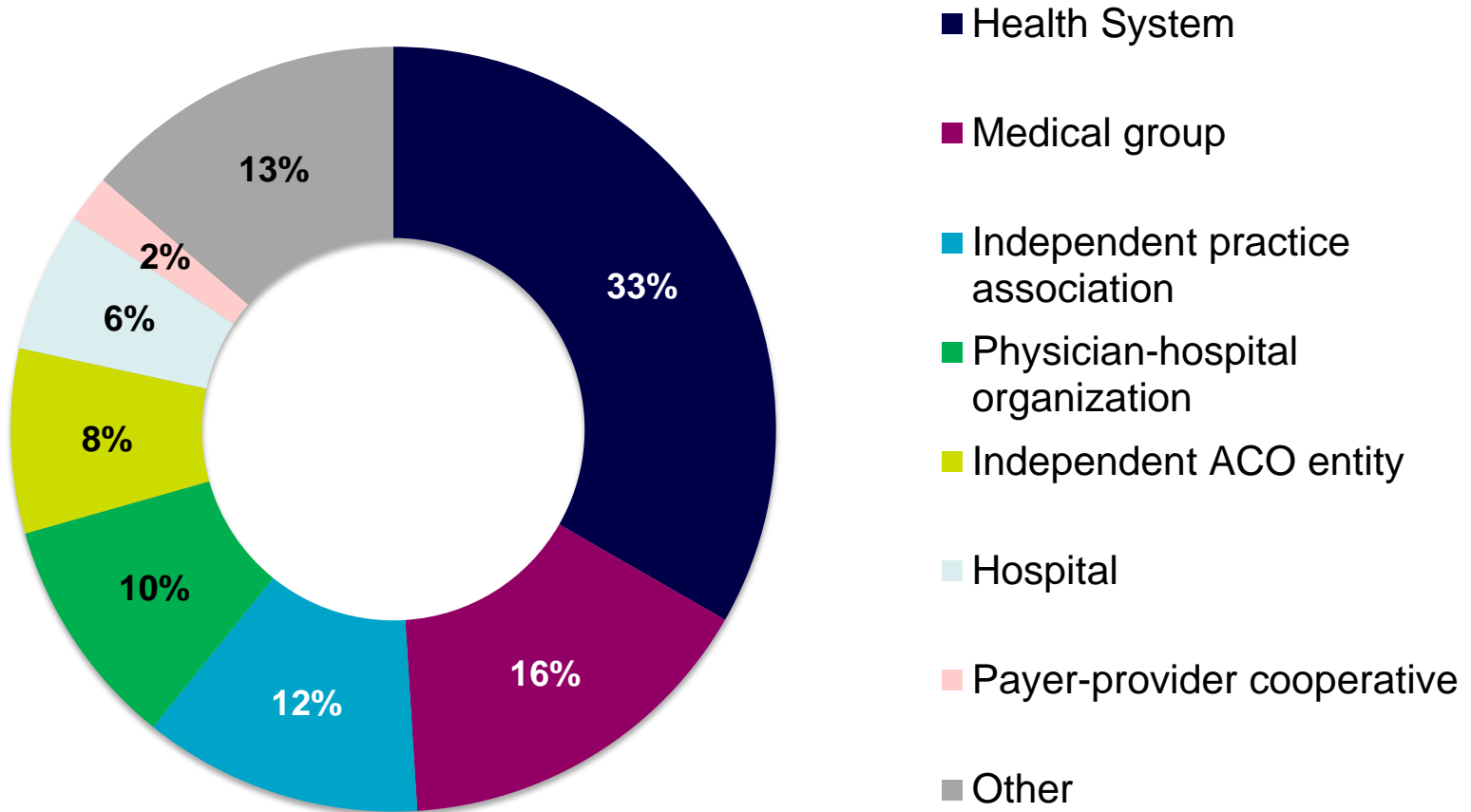- Mature (more than two years)
- Other

Contract Models

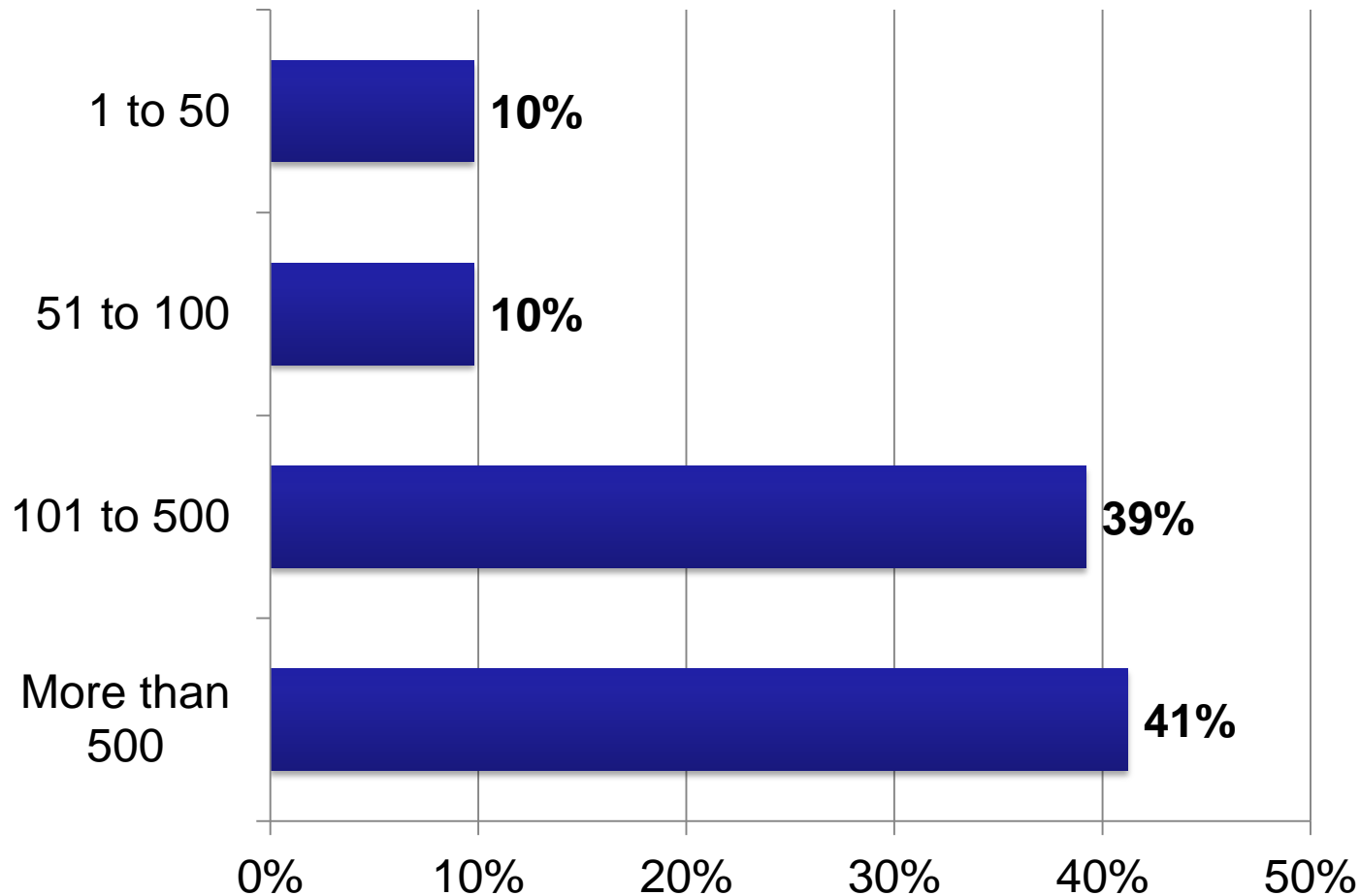Shared savings are predominant form of contracting for surveyed ACOs
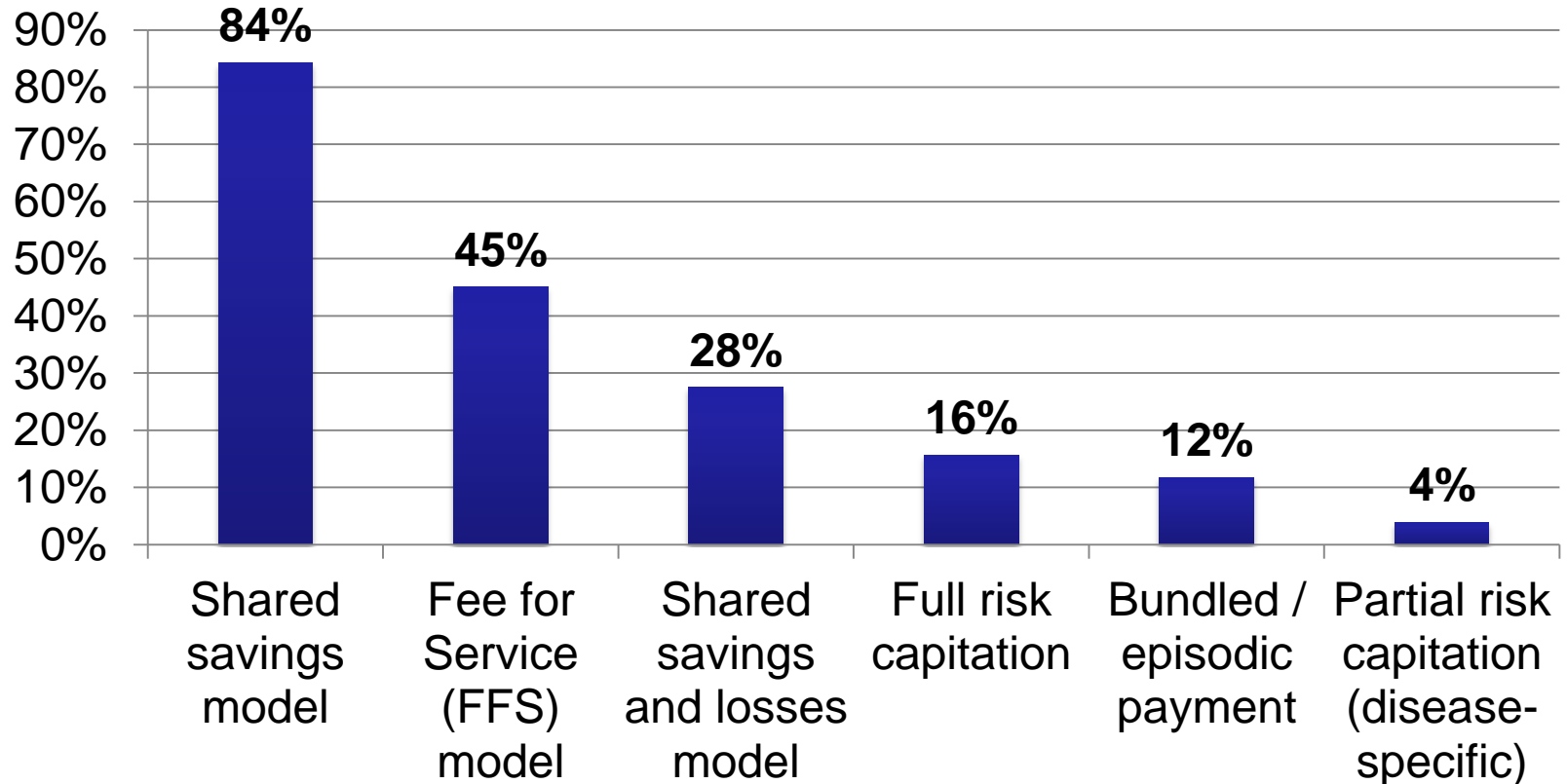
Funding & Administration

Surveyed ACOs are primarily funded and administered by health systems and medical groups

Legend:
- Health System — 33%
- Medical group — 16%
- Independent practice association — 12%
- Physician-hospital organization — 10%
- Independent ACO entity — 8%
- Hospital — 6%
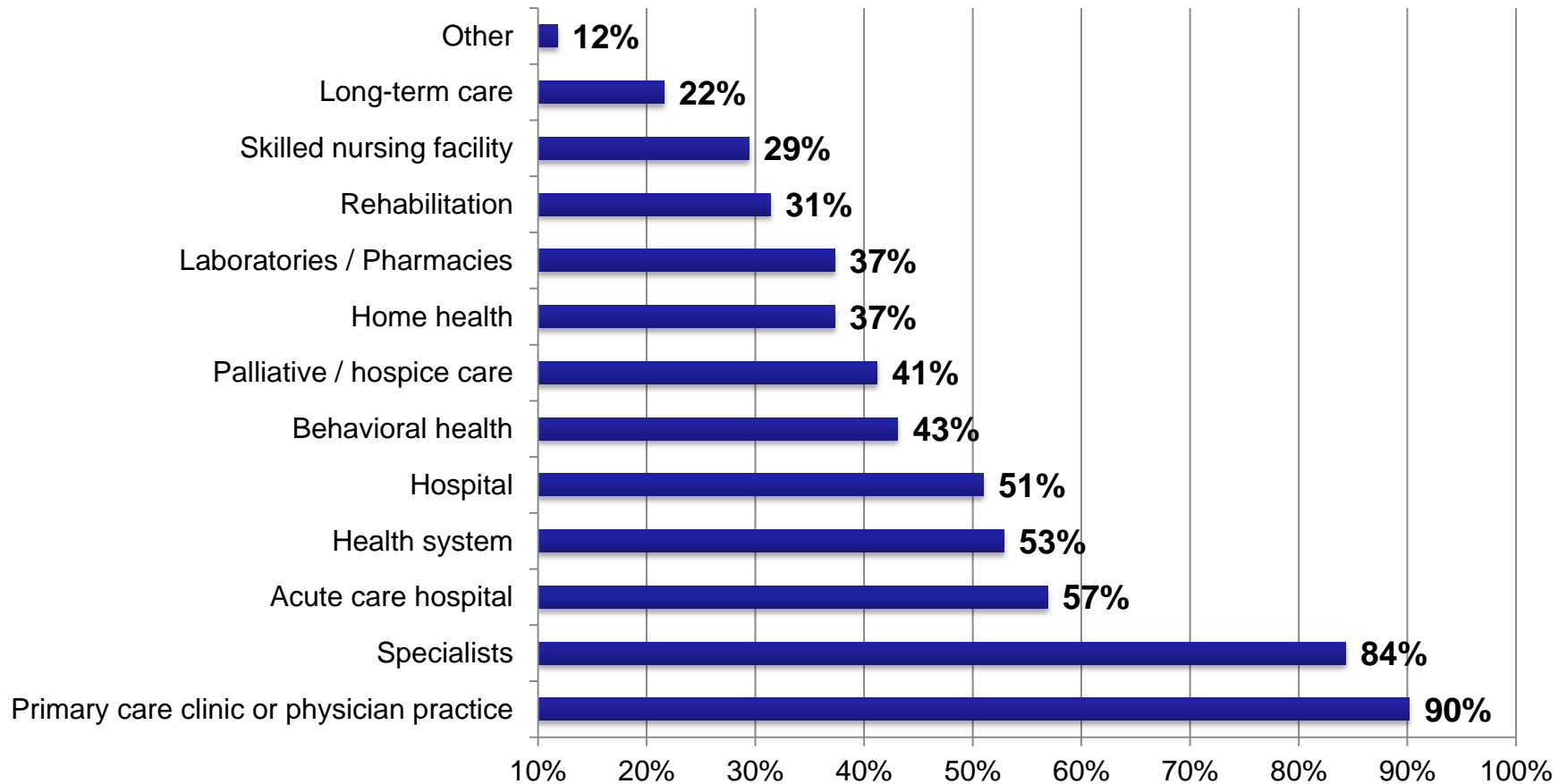- Payer-provider cooperative — 2%
- Other — 13%

ACO Workforce

Surveyed ACOs are generally staffed by at least 100 physicians

ACO Workforce

Surveyed ACOs are often comprised of primary and specialty care, with few incorporating rehab, skilled nursing, or long-term care

Category	Percentage
Other	12%
Long-term care	22%
Skilled nursing facility	29%
Rehabilitation	31%
Laboratories / Pharmacies	37%
Home health	37%
Palliative / hospice care	41%
Behavioral health	43%
Hospital	51%
Health system	53%
Acute care hospital	57%
Specialists	84%
Primary care clinic or physician practice	90%

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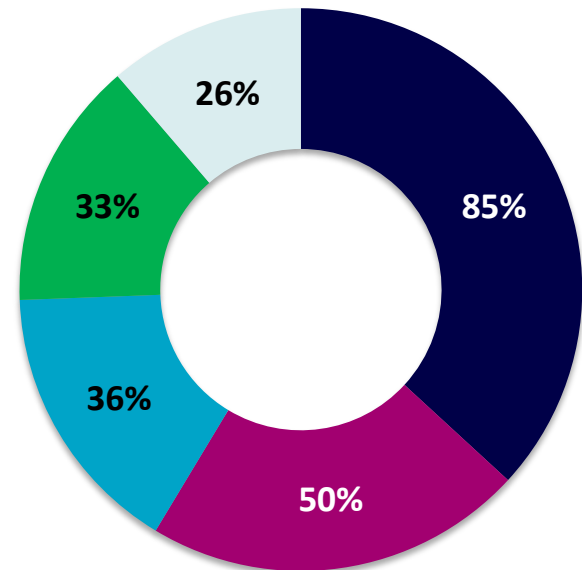Connect. Engage. Collaborate.

Patient Population Mix

Surveyed ACOs primarily serve between 10,000-100,000 patients. The majority of participating patients are on Medicare.

Number of Lives Covered

- 7%
- 12%
- 38%
- 29%
- 14%
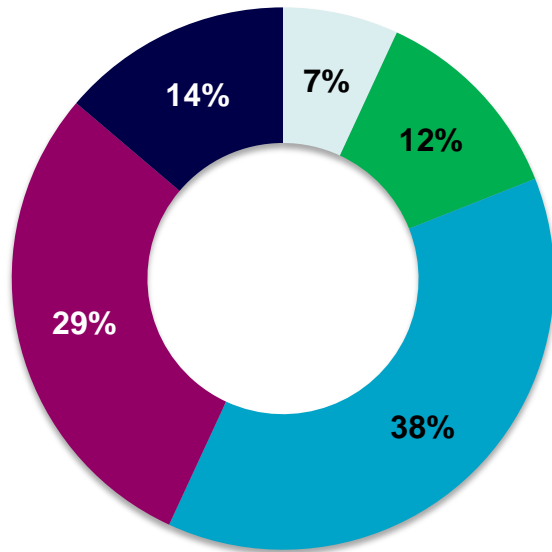
Legend:
- Up to 5,000
- 5,001 to 10,000
- 10,001 to 50,000
- 50,001 to 100,000
- More than 100,000

Participating Populations

- 26%
- 85%
- 50%
- 36%
- 33%

Legend:
- Medicare
- Commercial
- Medicare Advantage
- Employer-based
- Medicaid

Preliminary Key Findings

Growing pains of an adolescent health IT infrastructure

- **Most ACOs report diverse health IT capabilities**
    - The majority have a health IT infrastructure that can support activities related to quality measurement, population health management, and physician payment and contract adjudication. Larger ACOs have more capabilities and are better staffed.
    - Fewer organizations report capabilities to support risk management and patient engagement

- **Robust analytics are essential, but data access is a barrier**
    - Few ACOs currently participate in health information exchange (HIE) or perceive seamless HIE to be strategically important. However, 100 percent of ACOs report access to data from external organizations is a significant challenge.

- **18 is the magic number.**
    - Once ACOs reach 18 months of operation, they report substantially more advanced capabilities, data used for analytics, and performance improvements associated with health IT – but also more acute barriers and challenges

Preliminary Key Findings

ACOs have generally not made much progress since early 2013

- **The health IT infrastructure of ACOs does not appear to have significantly developed since our last survey.**
  - Most ACOs continue to utilize basic health IT elements for documentation and coordination of care, with few advanced capabilities (e.g. population health, revenue, or customer relationship management systems)
  - Access to and exchange of data have generally remained static
- **Health IT has been associated with targeted improvements**
  - Reduction of hospital admissions, ER visits, and hospital readmissions have improved by 15-20 percent
  - Marginal improvements in health outcomes and patient/provider satisfaction
- **ACOs have been unable to effectively scale to health IT needs**
  - Cost and return-on-investment are crippling concerns (from 14% to more than 90% of ACOs in 2014)
  - Interoperability and workflow integration have grown as a significant challenge (from 50% in 2013 to more than 90% of ACOs in 2014)
  - ACOs have been unable to staff appropriately (30% reported difficulties with hiring trained staff in 2013; today, it is a barrier for more than 66%)

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Health IT Infrastructure

ACO providers can use a variety of health IT tools and components to support accountable care operations

- **Core Health IT Components**
  Most ACOs offer an electronic health record (86%), disease registry (74%), data warehouse (68%), and clinical decision support system (58%).

- **Emerging Capabilities for Disparate Networks**
  Few ACOs report using secure messaging (38%), referral management tools (36%), phone-based telemedicine (34%), or video-based telemedicine (26%)

- **Lack of Cost and Patient Engagement Tools**
  Few ACOs report use of revenue cycle management (28%) or customer relationship management (26%) systems.

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Health IT Infrastructure

ACO patients can generally use basic internet-based tools; mobile and consumerization trends have yet to become widespread.

- **Efficiency First, then Access**
  Bottlenecks can be reduced at most ACOs with a tethered patient web portal (94%), ePrescribing (70%), and patient notifications and reminders (61%)
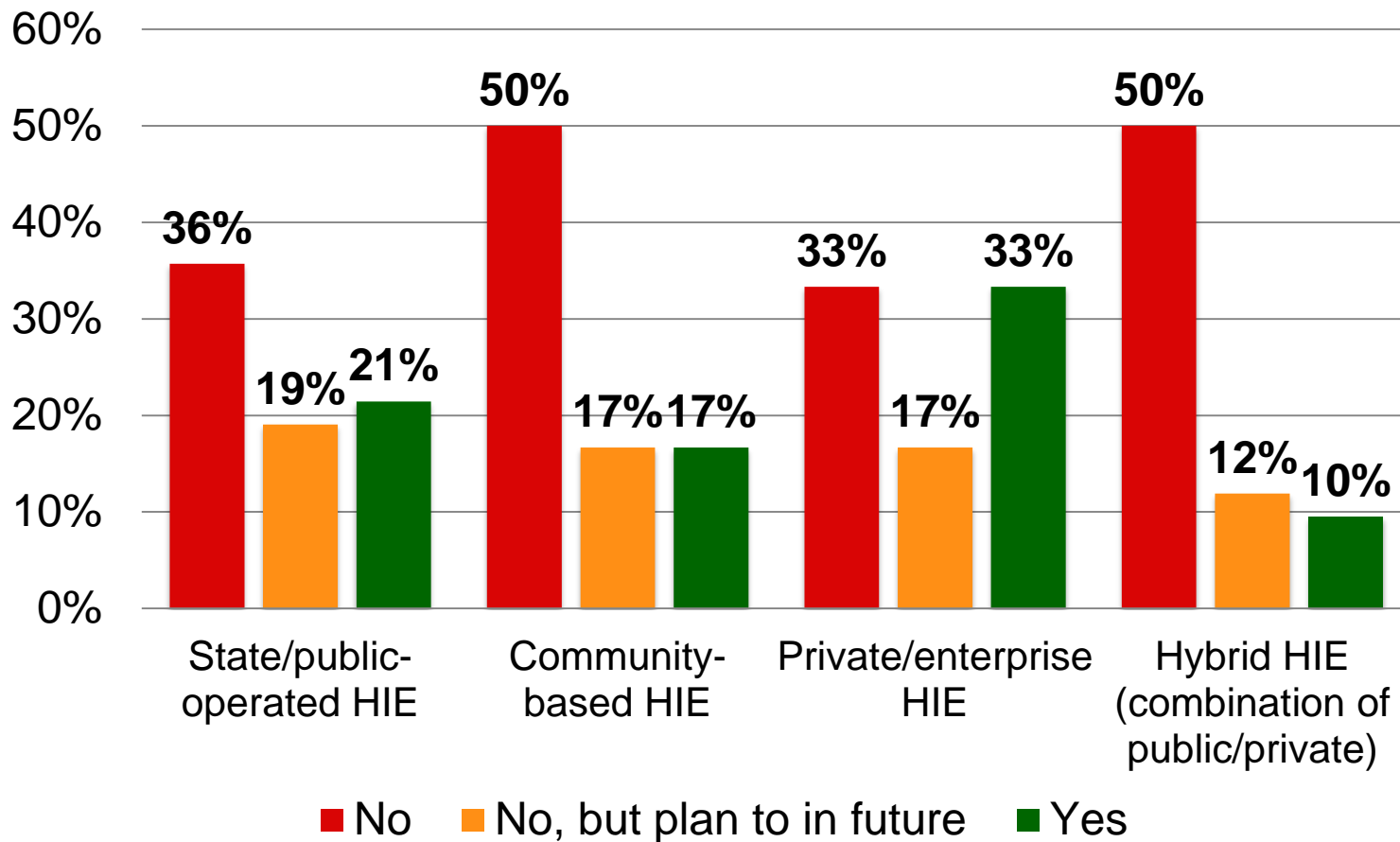
  However, few ACOs report services that could increase access to care, such as self-service scheduling (33%), phone-based telemedicine (28%), or video-based telemedicine (24%).

  Furthermore, few ACOs report offering self-management tools such as remote monitoring (26%), untethered personal health record (17%), or smartphone apps (15%)

Health Information Exchange

The majority of ACOs do not currently participate in health information exchange (HIE) organizations

Legend: ■ No ■ No, but plan to in future ■ Yes

State/public-operated HIE: No 36%, No but plan to 19%, Yes 21%
Community-based HIE: No 50%, No but plan to 17%, Yes 17%
Private/enterprise HIE: No 33%, No but plan to 17%, Yes 33%
Hybrid HIE (combination of public/private): No 50%, No but plan to 12%, Yes 10%

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Health Information Exchange

ACOs have yet to fully leverage health information exchange (HIE)

- **Limited infrastructure capabilities**
  Some ACOs have built additional capabilities for HIE (44%); however, a master patient index (28%) and record locator service (6%) have yet to be widely adopted

  While the diversity of health IT systems varies across ACOs, the majority pull electronic data from a handful of platforms
  - 1-10 platforms and interfaces (46%)
  - 11-50 platforms and interfaces (28%)
  - 50-100 platforms and interfaces (8%)
  - More than 100 platforms and interfaces (6%)

Health Information Exchange

ACOs have yet to fully leverage health information exchange (HIE)

- **HIE is not used to improve care coordination**
  While some ACOs use a hybrid HIE (10%), private/enterprise HIE (10%), or community-based HIE (4%) to coordinate care or monitor network leakage, the vast majority do not (76%).

- **HIE is more highly valued by mature ACOs**
  As ACOs enter advanced to mature stages of operation, they are pulling data from more platforms and participating more actively in HIEs

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Data & Analytics

ACOs are collecting diverse types of data for analytics

- **The Usual Suspects**
  The majority of surveyed ACOs analyze three common types of data:
  - clinical data and/or electronic health record (95%)
  - post-adjudicated claims-data (95%)
  - pre-adjudicated administrative, billing, or financial data (63%)

  Most ACOs have yet to incorporate data beyond immediate clinical or claims-based records, such as:
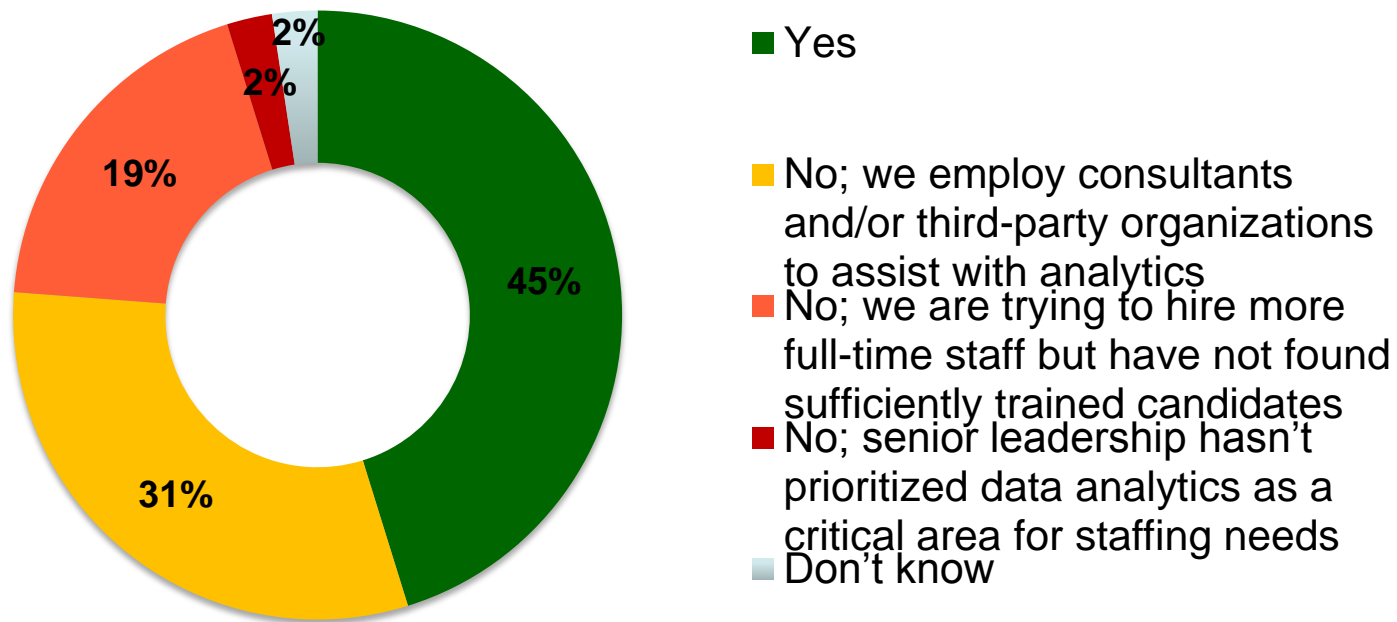 - State or disease registry (37%)
  - Patient-reported data (34%)
  - Unstructured textual data (29%)
  - Remote monitoring devices and sensors (22%)
  - HIE data (22%)

Workforce Capability

ACOs are well staffed in early and mature stages of operation – but face difficulties between 12-24 months of operation

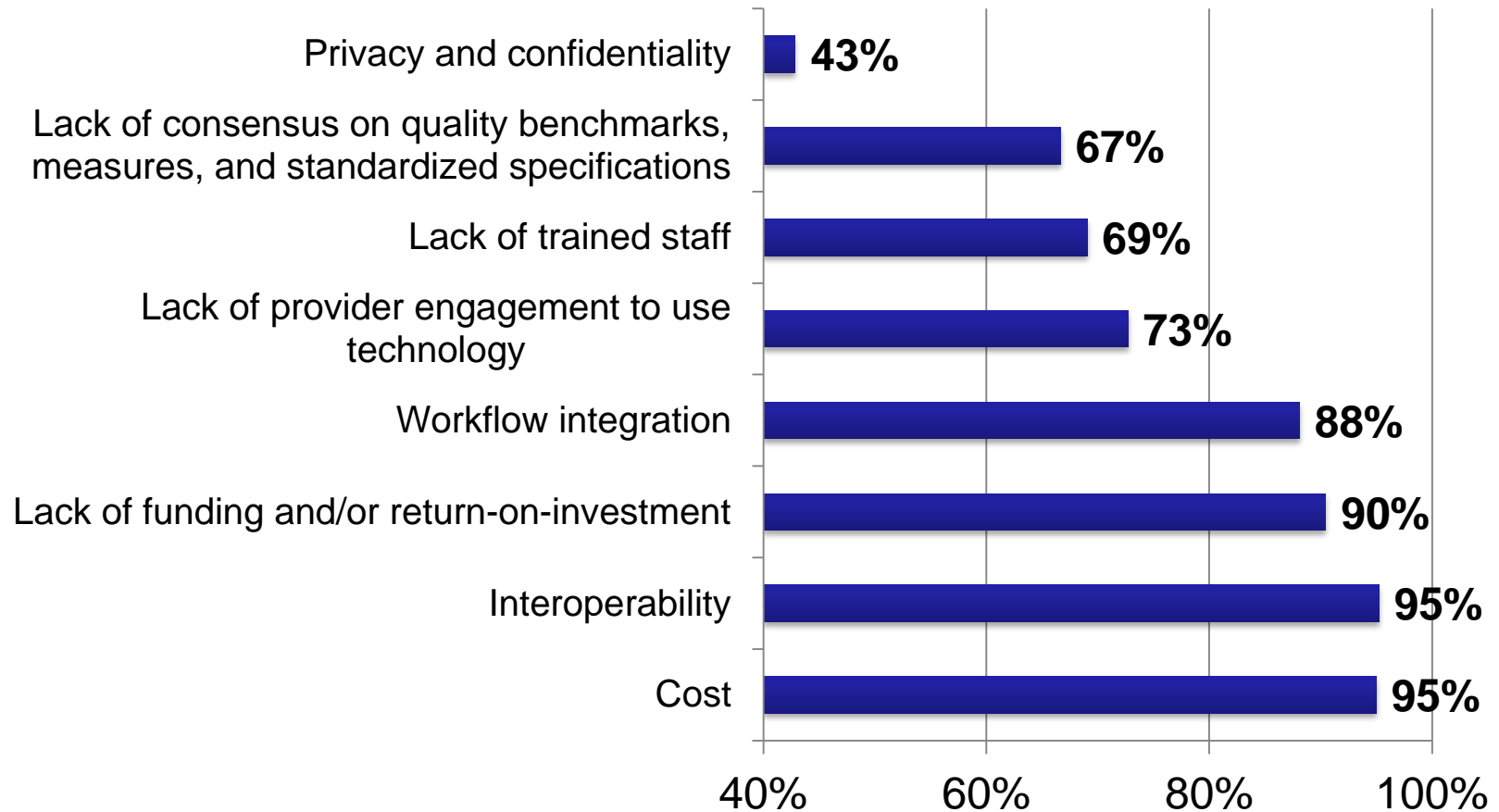**Does your ACO organization have sufficient trained staff to collect, process, and analyze data?**

- Yes — 45%
- No; we employ consultants and/or third-party organizations to assist with analytics — 31%
- No; we are trying to hire more full-time staff but have not found sufficiently trained candidates — 19%
- No; senior leadership hasn't prioritized data analytics as a critical area for staffing needs — 2%
- Don't know — 2%

Impact of Health IT

Surveyed ACOs report that health IT has generally improved performance

	Improved	Worsened
Clinical quality improvement	66%	7%
Preventive screenings/vaccinations	63%	12%
Chronic disease management	59%	10%
Health outcomes	55%	6%
Reduction of hospital readmissions	51%	17%
Reduction of ER visits	49%	27%
Reduction of hospital admissions	44%	17%
Patient safety	39%	20%
Cost savings	39%	22%
Reduction of healthcare utilization	37%	27%
Efficiency	32%	20%
Provider satisfaction	30%	22%
Patient satisfaction	29%	35%

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Barriers to Health IT

Surveyed ACOs reported eight key challenges

Challenge	Percentage
Privacy and confidentiality	43%
Lack of consensus on quality benchmarks, measures, and standardized specifications	67%
Lack of trained staff	69%
Lack of provider engagement to use technology	73%
Workflow integration	88%
Lack of funding and/or return-on-investment	90%
Interoperability	95%
Cost	95%

Barriers to Data & Analytics

Surveyed ACOs reported nine key challenges
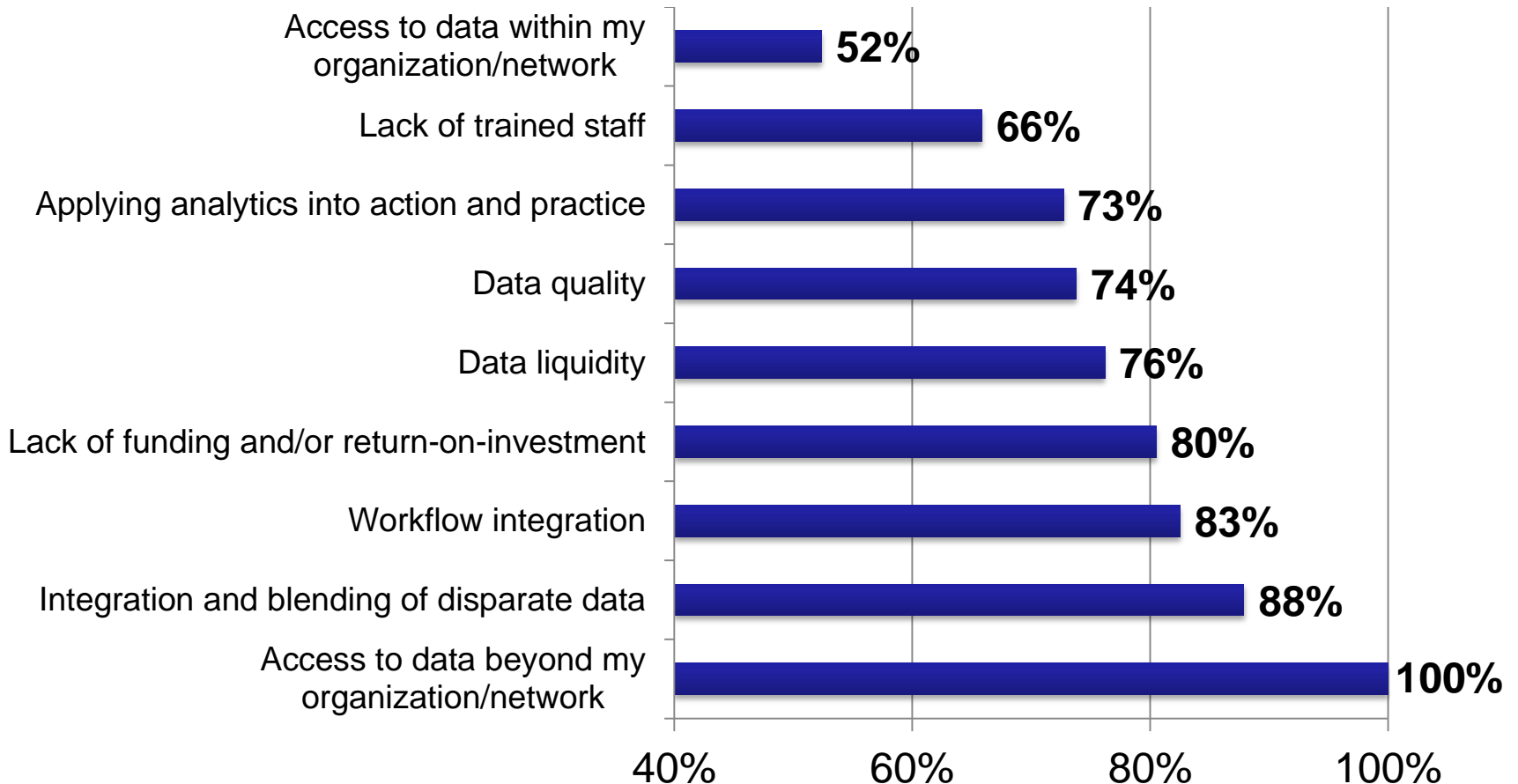
Summary of Findings

Most ACOs have yet to build a robust health IT infrastructure

- **Building Blocks to Success**
  - ACOs that have been in operation for at least 18 months appear to have stronger health IT capabilities – and more significant challenges
  - Larger ACOs (100+ physicians) are better staffed to collect and analyze data
  - Although they are extremely data-dependent, most ACOs do not participate in HIE at an enterprise, community, or state level

- **Impact of Health IT**
  - Health IT has been associated with limited improvements in targeted areas (most likely due to reimbursement structure)
  - Analytics is critical to achieving the Triple Aim – however, blending data, putting solutions into practice, and integrating them into workflow are growing challenges
  - Provider satisfaction is falling, while the interoperability, cost, and ROI of health IT are rapidly coming to the fore as significant barriers

- **Lessons Learned**
  - Sustainable, scaleable success requires long-term vision and planning around the technology required to achieve key objectives and solve specific problems or challenges

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Panel Discussion

Jon Dimsdale
Director of Programs & Research
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Andrew Weniger
Product Strategy Officer
*Cornerstone Health Enablement
Strategic Solutions*

Jeff Petry
Vice President of Strategic Initiatives
Premier, Inc.

Stephen Nuckolls
Chief Executive Officer
Coastal Carolina Quality Care ACO

John Haughton
Chief Medical Information Officer
Covisint

Successful ACO = CREATING TRUST

Clinical Intelligence &
Exchanging Health Information…

Saving time by using each others' data and personnel
to Improve Care and Improve Business

John Haughton MD, MS (443) 694-3991   ACOrisk@gmail.com

Collaboration that works in The Cloud

1. **Engaged Consumer**
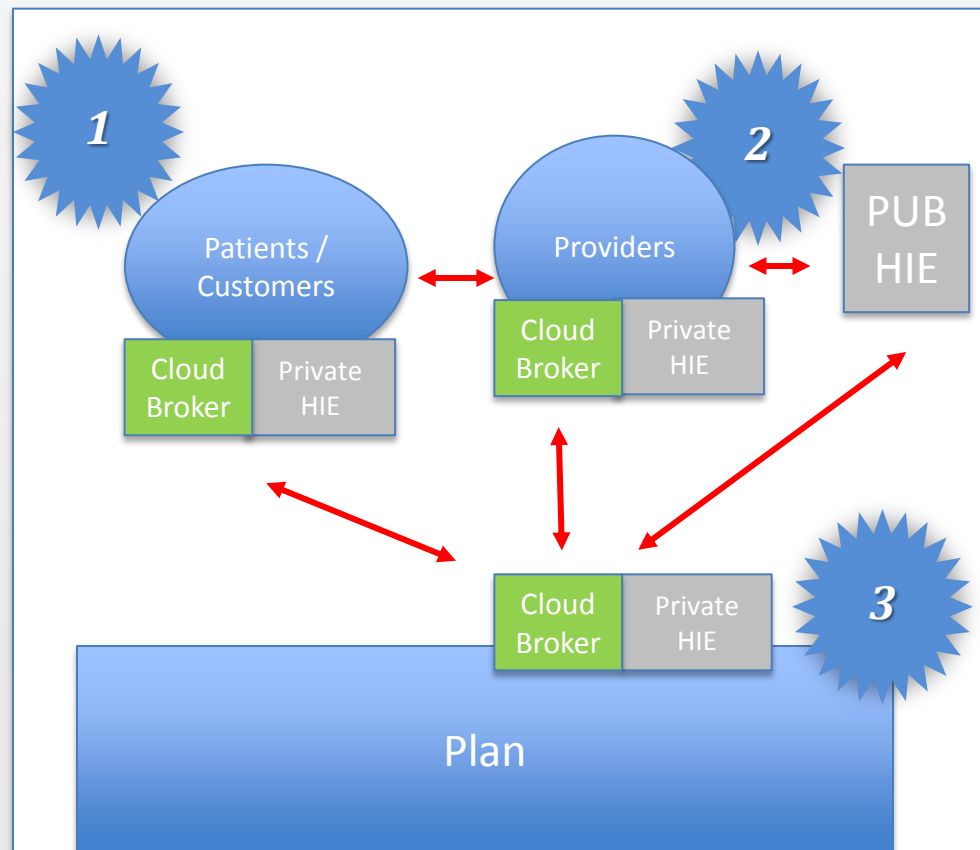   – Scalable Linkages with existing and emerging PHRs

2. **Engaged Physicians/Providers**
   – Scalable Linkages with existing EMRs and Health Exchanges

3. **Scalable, Secure, Auditable Engagement with the Plan**

   "Cloud Broker"
   - **Identity / Audit / Single Sign-on**
   - Patients, Providers, Content
   - Dynamic Relationships
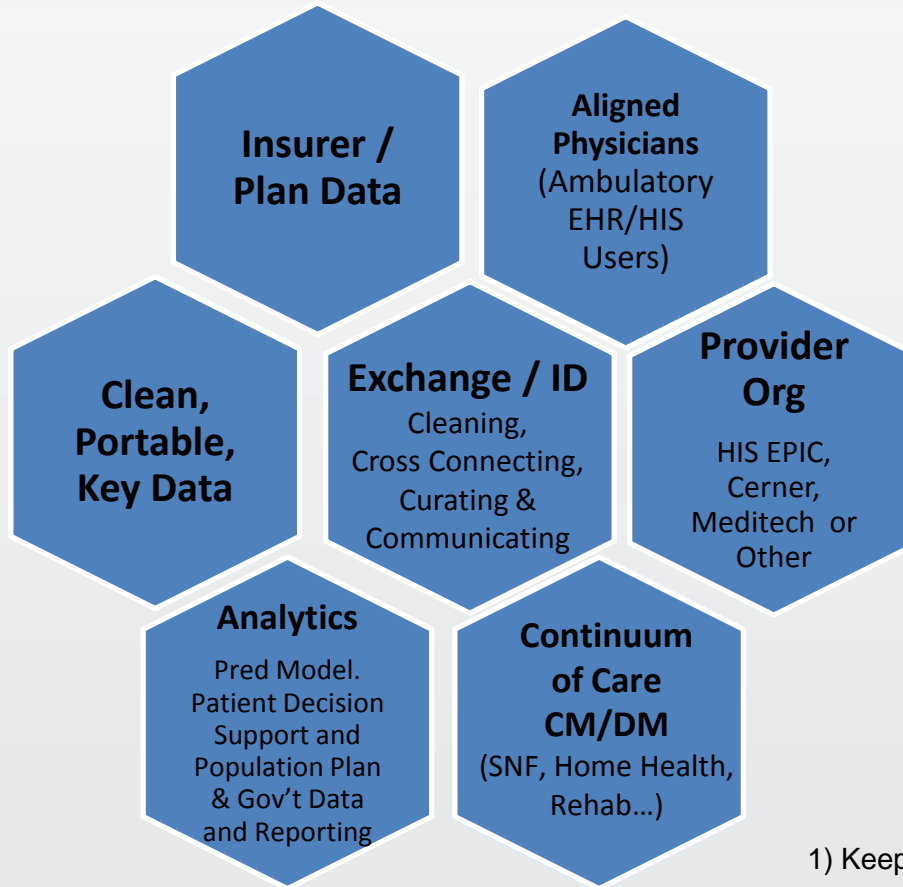   - Other Functionality (Apps)

Three Keys for Success

For Now and Tomorrow…ACOs & Exchanges

Organization *"private"* **Exchange:**

Works with EPIC, Cerner, Meditech or Other HIS systems & with Payer Med Mgmnt / Admin tech

Connects Org HIS, Ambulatory and Community Systems,

Focus -
Organization needs, competitive protection / enhancement

Nobody Owns (or will own) the Middle…

John Haughton MD, MS (443) 694-3991   ACOrisk@gmail.com

Insurer / Plan Data

Aligned Physicians (Ambulatory EHR/HIS Users)

Clean, Portable, Key Data

Exchange / ID
Cleaning, Cross Connecting, Curating & Communicating

Provider Org
HIS EPIC, Cerner, Meditech or Other

Analytics
Pred Model. Patient Decision Support and Population Plan & Gov't Data and Reporting

Continuum of Care CM/DM
(SNF, Home Health, Rehab…)

Community *"public"* **Exchange**

Brokers / Curates Information, Identity & Trust to and from Private Exchange, Including Payers and Providers

With Covisint, public & private exchanges are a brokered network of organization exchanges from one or more vendors

1) Keep business purposes front & center.

2) Limit competitive access to population data.

3) Play nicely for patient level sharing.

4) Use connections to get full patient information.

5) Evolve at Entity's speed and direction

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Questions

To ask a question or make a comment, submit via the chat feature.

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