



The ABCs of ACOs

Thomas Koshy, Ph.D. Sr. Director for Scientific Affairs

November 5, 2012

US Health Care = Bad Restaurant?



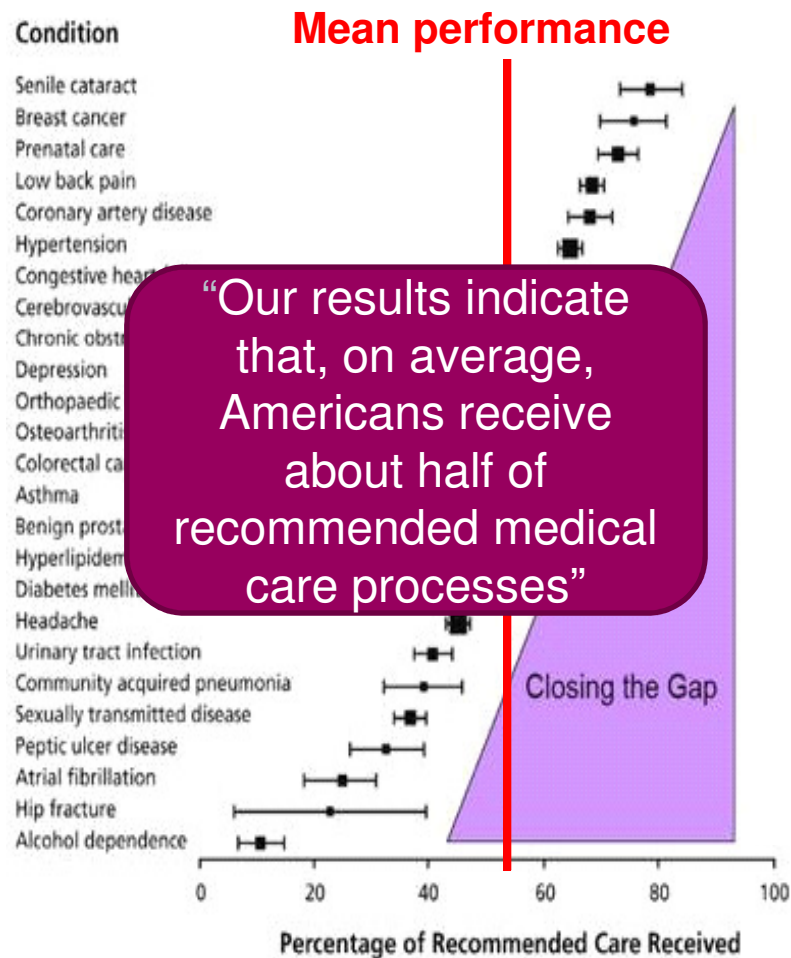
US Health Care = Auto Repair?

- Transactional, reactionary care for a specific “repair”
 - FFS, not FFV
- Ironically, the same repair shop can provide the preventive services that would reduce high cost transactions
- We need to transition from transactional care to preventive care and coordination of care, especially for chronic conditions.



The Care We Get...

“Flip of the Coin” Health Care Quality, 6-6-03



Impediments

- Fee for service reimbursement rewards: volume>value, cure>care
- Scale, scope, complexity of health sector and political realities of change
- Technophilic society and MDs
- Slow adoption of innovation
- Selection and socialization of MDs as Lone Rangers
- Lack of systems thinking in design of health delivery
- Emphasis on treating organ systems, not whole organisms
- Poor application of behavior science into delivery system

The Care We Don't Get...

LA Times, 6-7-11

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BOOSTER SHOTS: ODDITIES, MUSINGS AND NEWS FROM THE HEALTH WORLD

Nearly 70,000 Americans die needlessly each year because they are not given optimal heart failure therapy

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“Nearly 70,000 Americans die each year because they do not receive optimal therapy as called for in guidelines promoted by national health authorities, researchers said Monday. Physicians have been slow to implement many of the procedures called for in the guidelines, according to the first national study of adherence to the treatment goals, the team reported in the June edition of the American Heart Journal.”

Congestive Heart Failure

Potential impact of optimal implementation of evidence-based heart failure therapies on mortality

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Background Although multiple therapies have been shown to lower mortality in patients with heart failure (HF) and reduced left ventricular ejection fraction, their application in clinical practice has been less than ideal. To date, empiric estimation of the potential benefits that could be gained from eliminating these existing treatment gaps with optimal implementation has not been quantified.

Methods Eligibility criteria for each evidence-based HF therapy, the estimated frequency of use/nonuse of specific treatments, the case fatality rates, and the risk reductions due to treatment were obtained from published sources. The numbers of deaths prevented or postponed because of each guideline-recommended therapy and overall were determined.

Results Among patients with HF with reduced left ventricular ejection fraction in the United States (n = 2,644,800), the number eligible but not currently treated ranged from 139,749 for hydralazine/isorbide dinitrate to 852,512 for implantable cardioverter defibrillators. The comparative number of deaths that could potentially be prevented per year with optimal implementation of angiotensin-converting enzyme inhibitor/angiotensin receptor antagonist is 6,516; β -blockers, 12,922; aldosterone antagonists, 21,407; hydralazine/isorbide dinitrate, 6,655; cardiac resynchronization therapy, 8,317; and implantable cardioverter defibrillators, 12,179. If these treatment benefits were additive, optimal implementation of all 6 therapies could potentially prevent 67,996 deaths a year.

Conclusions A substantial number of HF deaths in this country could potentially be prevented by optimal implementation of evidence-based therapies. These data may underscore the importance of performance improvement efforts to translate evidence-based therapy to routine clinical practice so as to reduce contemporary HF mortality. (Am Heart J 2011;161:1024-1030.e3.)

Heart failure (HF) is a substantial cause of mortality, morbidity, and health care expenditures in the United States. Although multiple therapies have been shown to lower mortality in patients with HF and reduced left ventricular ejection fraction, their application in clinical practice has been less than ideal. To date, empiric estimation of the potential benefits that could be gained from eliminating these existing treatment gaps with optimal implementation has not been quantified. Although multiple therapies have been shown to lower mortality in patients with heart failure (HF) and reduced left ventricular ejection fraction, their application in clinical practice has been less than ideal. To date, empiric estimation of the potential benefits that could be gained from eliminating these existing treatment gaps with optimal implementation has not been quantified. Although multiple therapies have been shown to lower mortality in patients with heart failure (HF) and reduced left ventricular ejection fraction, their application in clinical practice has been less than ideal. To date, empiric estimation of the potential benefits that could be gained from eliminating these existing treatment gaps with optimal implementation has not been quantified.

The Care We Shouldn't Get...

JAMA, 7-6-11

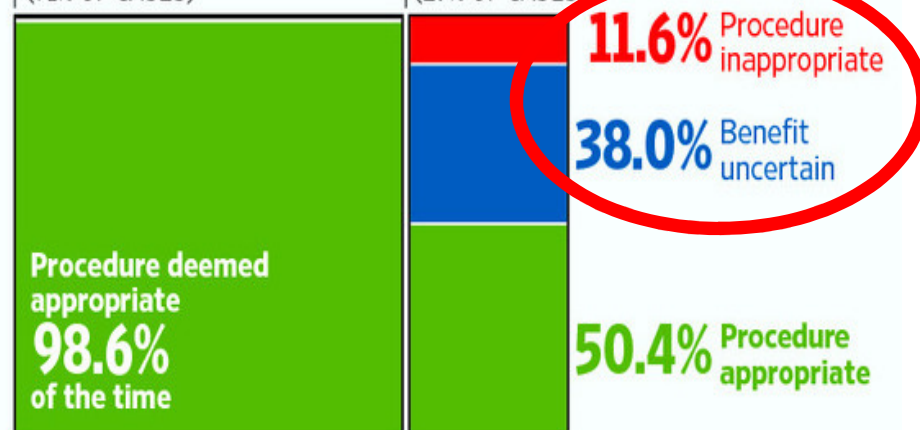
Heart of the Matter

How angioplasty procedures in the U.S. rated, according to appropriateness guidelines, based on 500,000 cases:

IN PATIENTS WITH...

...HEART ATTACK OR HIGH-RISK
UNSTABLE CHEST PAIN
(71% OF CASES)

...NON-ACUTE
HEART DISEASE
(29% OF CASES)



Source: Journal of the American Medical Association

ORIGINAL CONTRIBUTION

Appropriateness of Percutaneous Coronary Intervention

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Context Despite the widespread use of percutaneous coronary intervention (PCI), the appropriateness of these procedures in contemporary practice is unknown.

Objective To assess the appropriateness of PCI in the United States.

Design, Setting, and Patients Multicenter, prospective study of patients within the National Cardiovascular Data Registry undergoing PCI between July 1, 2009, and September 30, 2010, at 1091 US hospitals. The appropriateness of PCI was adjudicated using the appropriate use criteria for coronary revascularization. Results were stratified by whether the procedure was performed for an acute (ST-segment elevation myocardial infarction, non-ST-segment elevation myocardial infarction, or unstable angina with high-risk features) or nonacute indication.

Main Outcome Measures Proportion of acute and nonacute PCIs classified as appropriate, uncertain, or inappropriate; extent of hospital-level variation in inappropriate procedures.

Results Of 500 154 PCIs, 355 417 (71.1%) were for acute indications (ST-segment elevation myocardial infarction, 103 245 [20.6%]; non-ST-segment elevation myocardial infarction, 105 708 [21.1%]; high-risk unstable angina, 146 464 [29.3%]), and 144 737 (28.9%) for nonacute indications. For acute indications, 350 469 PCIs (98.6%) were classified as appropriate, 1055 (0.3%) as uncertain, and 3893 (1.1%) as inappropriate. For nonacute indications, 72 911 PCIs (50.4%) were classified as appropriate, 54 988 (38.0%) as uncertain, and 16 838 (11.6%) as inappropriate. The majority of inappropriate PCIs for nonacute indications were performed in patients with no angina (53.8%), low-risk ischemia on noninvasive stress testing (71.6%), or suboptimal (≤ 1 medication) antithrombotic therapy (95.8%). Furthermore, although variation in the proportion of inappropriate PCI across hospitals was minimal for acute procedures, there was substantial hospital variation for nonacute procedures (median hospital rate for inappropriate PCI, 10.8%; interquartile range, 6.0%-16.7%).

Conclusions In this large contemporary US cohort, nearly all acute PCIs were classified as appropriate. For nonacute indications, however, 12% were classified as inappropriate, with substantial variation across hospitals.

JAMA. 2011;306(1):53-61

www.jama.com

APPROXIMATELY 600 000 percutaneous coronary interventions (PCIs) are performed in the United States each year,¹ at a cost that exceeds \$12 billion.² Patients who undergo PCI are exposed to risks of periprocedural complications and longer-term bleeding and stent thrombosis. Moreover, recent trials in stable patients without acute coronary syndromes have shown that PCI, compared with medical therapy, may provide only a modest population-average improvement in symptom relief.³ Given the cost and invasiveness of PCI, determining the extent to which PCI procedures are performed for appropriate and inappropriate indications could identify procedural overuse and areas for quality improvement and cost savings. However, a lack of national standards for defining appropriate PCI use has hampered previous efforts to identify opportunities for improved patient selection. Furthermore, the few exist-

ing studies⁴⁻⁶ were conducted before many of the current advances in PCI and more contemporary clinical trials on coronary revascularization.³

Recently, appropriate use criteria for coronary revascularization were jointly developed by 6 professional organizations to support the rational and judicious use of PCI.⁷ The inclusion of the appropriate use criteria in

the most recent update to the prospective National Cardiovascular Data Registry (NCDR) CathPCI Registry data collection forms provides a unique opportunity to evaluate the

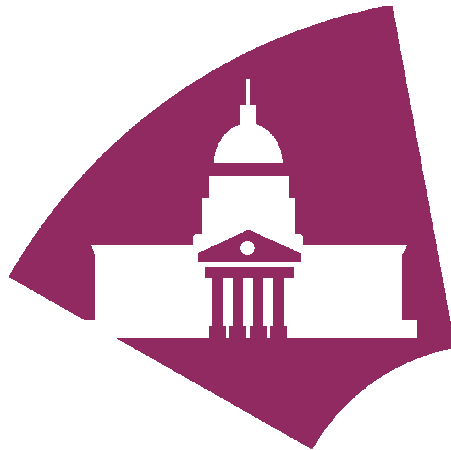
Author Affiliations are listed at the end of this article.
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JAMA, July 6, 2011—Vol 306, No. 1 53

Something's Gotta Give

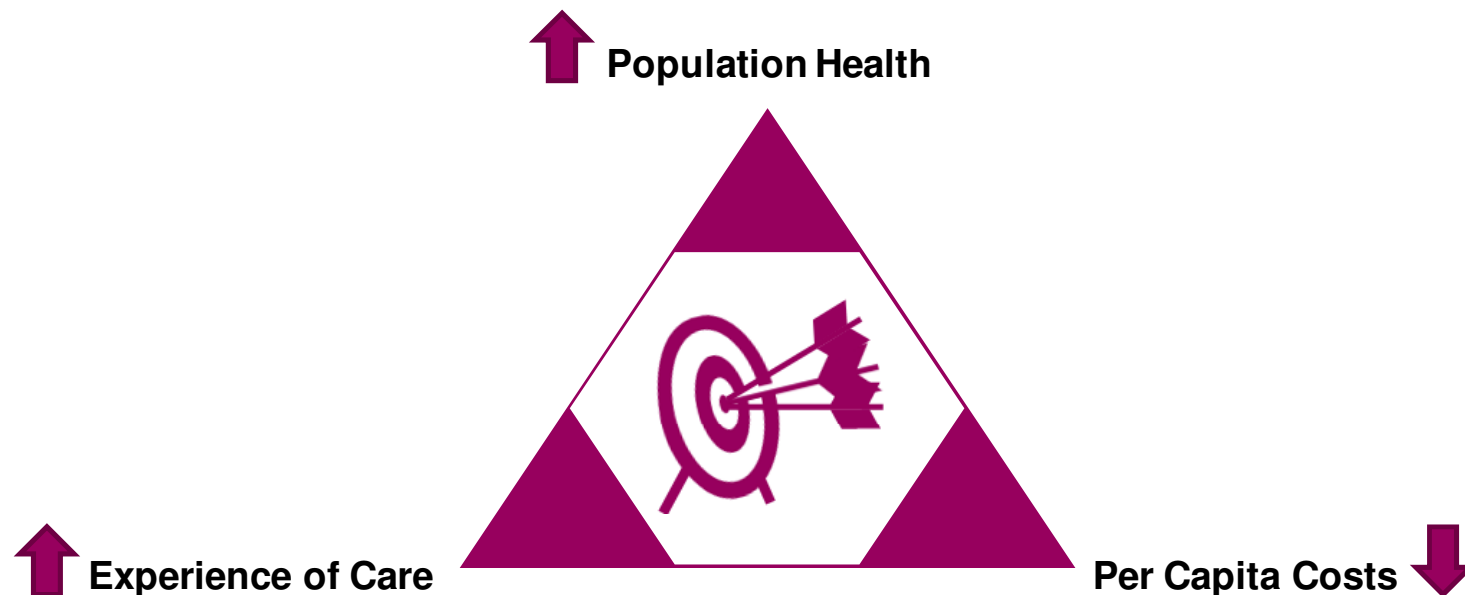
Because unaccountable care is no longer sustainable



It just comes down to who the accountable party is...

Accountability Defined


IHI's Triple Aim Describes Accountable Care's Trifecta



- Whether participating in Medicare's ACO program or collaborating with private payors, virtually all health systems are on some pathway to greater accountability
- This journey goes by many names: clinical integration, integrated care, collaborative patient-centered care, physician-hospital alignment, but their fundamental goals invariably include improving clinical outcomes, efficiency, and satisfaction with care

What Is Accountable Care About?

Moving away from FFS, volume-based reimbursement to value-based compensation (P4P, risk sharing, global budgets)



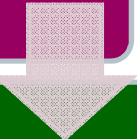
Proactive anticipation of individual patient needs, and plan to address these needs in coordinated, expeditious manner



Taking responsibility for care processes and care outcomes, including cost, quality, and experience of care



Built on a strong base of primary care, ideally arranged as “patient-centered medical homes” or similar forms using care teams to coordinate and deliver care



Connecting interoperable data from all care sites, providers, institutions into a longitudinal, personal health record with health decision guidance/support for patients, in addition to clinical decision support for providers

Stepwise Path to Accountable Health

Accountable Health Outcomes Management

Accountable Care Organization

Patient-Centered Medical Home

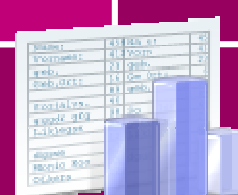
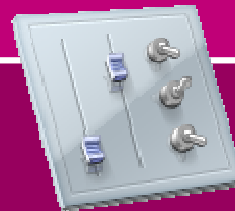
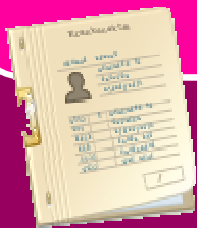
Meaningful Use

- Single Provider
- Office Transformation
- FFS + Bonus
- Data Capture

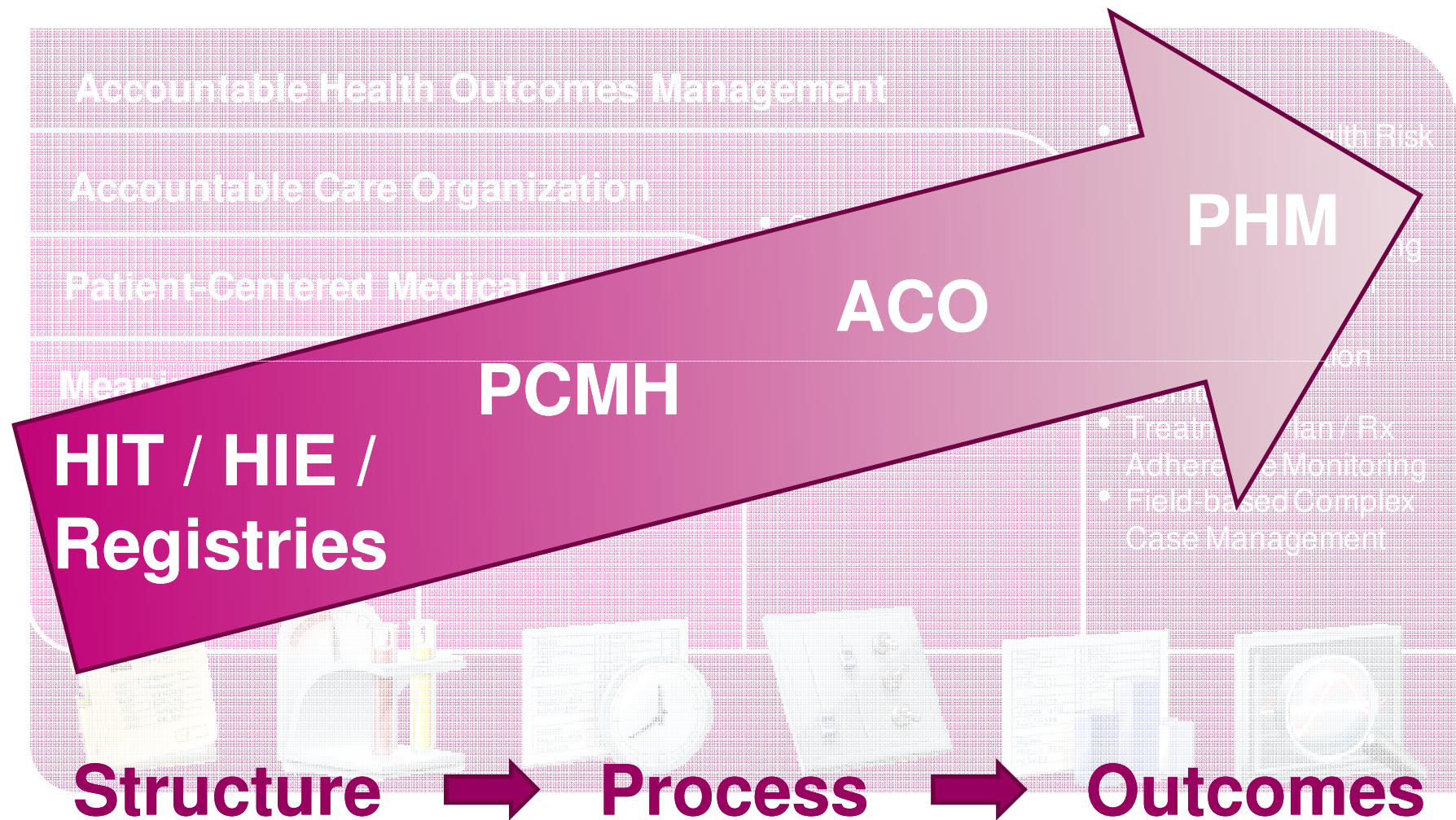
- Team-Based Care
- Incentive Payments (P4P)
- Quality Reporting

- Collaboration Among Multiple Providers
- Shared Risk
- Reporting Against Quality, Cost, and Patient Experience

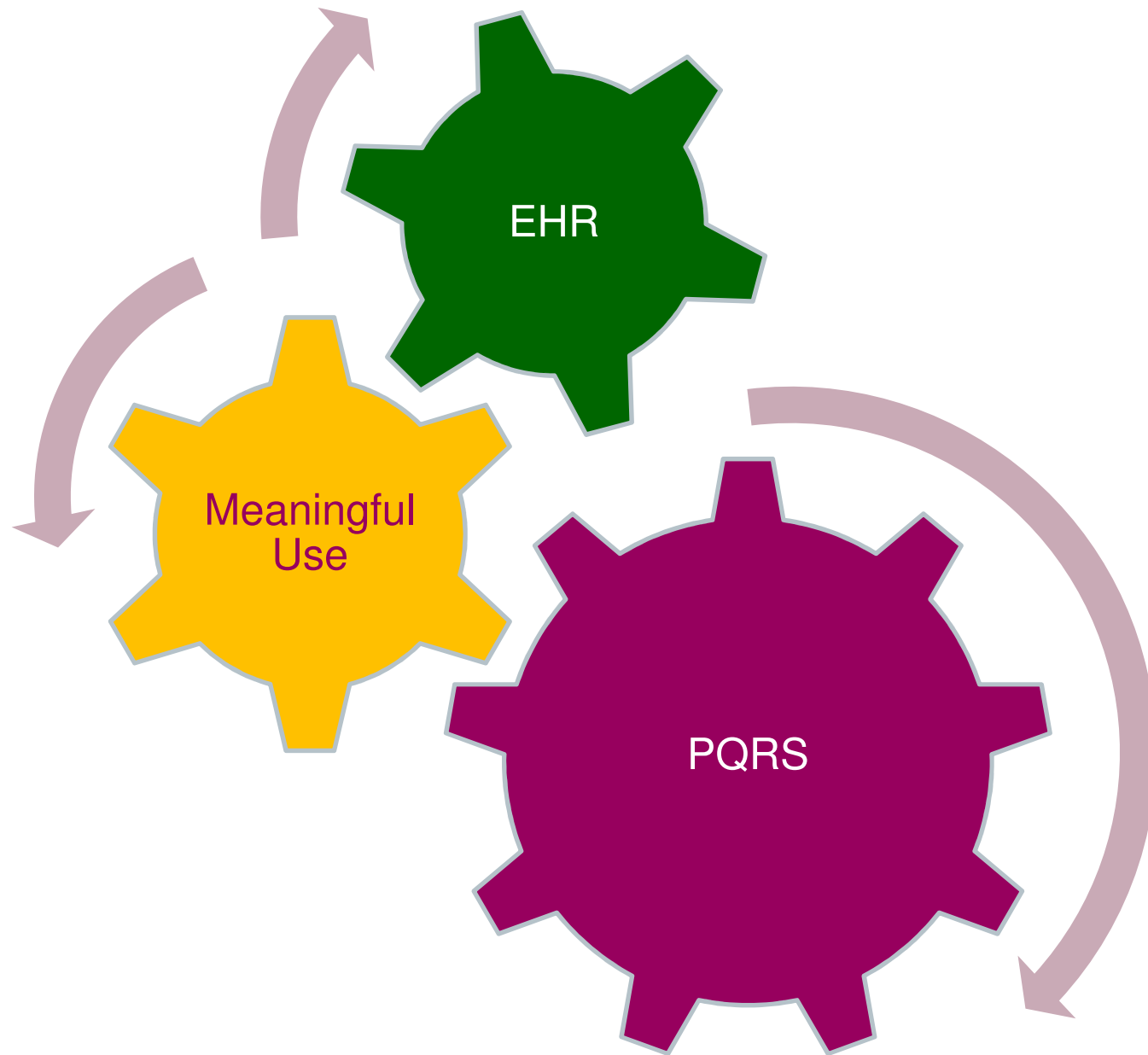
- Population Health Risk Assessment
- Health Risk Mitigation Workflows / Coaching
- Care Coordination Workflows
- Chronic Condition Monitoring
- Treatment Plan / Rx Adherence Monitoring
- Field-based Complex Case Management



Stepwise Path to Accountable Health









The Physician Quality Reporting System (PQRS)

Incentive payments and payment adjustments to promote reporting of quality information by eligible healthcare professionals. The program provides incentive payments for reporting data on quality measures

Beginning in 2015, the program also applies a payment adjustment to professionals who do not satisfactorily report data on quality measures for covered professional services.

	Medicare PQRS Payment Adjustments
2011	1-1.5% bonus payment
2012	0.5-1% bonus payment
2013	0.5-1% bonus payment
2014	0.5-1% bonus payment
2015	1.5% cut of physician unsuccessfully reports on PQRS measures No bonus payment for physicians who successfully report on PQRS measures
2016	2% cut of physician unsuccessfully reports on PQRS measures No bonus payment for physicians who successfully report on PQRS measures
2017	2% cut of physician unsuccessfully reports on PQRS measures No bonus payment for physicians who successfully report on PQRS measures

Clinical Registry and Guidelines

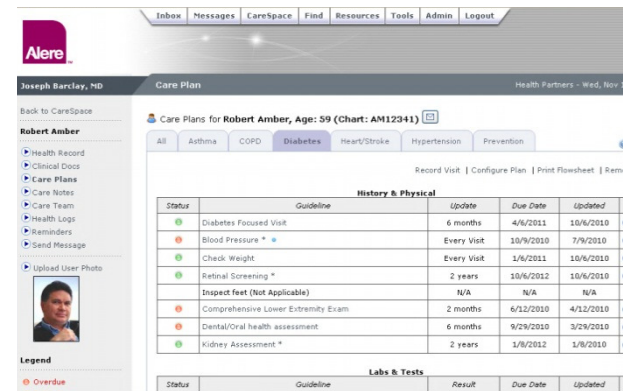
Connected registries facilitate the creation of coordinated care teams, who all have access to care plans and status

Customizable evidence-based guidelines suggest recommended care

Integration with EMRs/EHRs and HIEs through connectivity capability

Supports and provides extensive reporting and analytics

Facilitates development and deployment of Patient-Centered Medical Homes and ACOs



The screenshot shows the Alere Care Plan interface for a patient named Robert Amber. The interface includes a navigation menu on the left with options like Health Record, Clinical Docs, Care Plans, Care Notes, Care Team, Health Logs, Reminders, and Send Message. The main content area displays a table of clinical guidelines for Diabetes, with columns for Status, Guideline, Update, Due Date, and Updated. The table lists various guidelines such as Diabetes Focused Visit, Blood Pressure, Check Weight, Retinal Screening, Inspect feet, Comprehensive Lower Extremity Exam, Dental/Oral health assessment, and Kidney Assessment, each with a status indicator (green for on track, red for overdue) and a due date.

Status	Guideline	Update	Due Date	Updated
On Track	Diabetes Focused Visit	6 months	4/6/2011	10/6/2010
Overdue	Blood Pressure *	Every Visit	10/9/2010	7/9/2010
On Track	Check Weight	Every Visit	1/6/2011	10/6/2010
On Track	Retinal Screening *	2 years	10/6/2012	10/6/2010
On Track	Inspect feet (Not Applicable)	N/A	N/A	N/A
Overdue	Comprehensive Lower Extremity Exam	2 months	6/12/2010	4/12/2010
Overdue	Dental/Oral health assessment	6 months	9/29/2010	3/29/2010
On Track	Kidney Assessment *	2 years	1/8/2012	1/8/2010

Adult and pediatric prevention

Adult and pediatric asthma

Diabetes

Heart / stroke

Heart failure

Pediatric obesity

Hypertension

COPD

Pediatric ADHD

Collaborative Care Platform® (CCP)

The screenshot displays the Alere Collaborative Care Platform (CCP) interface. At the top, a navigation bar includes links for Inbox, Messages, CareSpace, Find, Resources, Tools, Admin, and Logout. The Alere logo is on the left. Below the navigation bar, a header shows the user 'Joseph Barclay, MD' and the section 'Care Plan' for 'Health Partners - Wed, Nov 1'. A sidebar on the left lists navigation options: Back to CareSpace, Robert Amber (with a sub-menu: Health Record, Clinical Docs, Care Plans, Care Notes, Care Team, Health Logs, Reminders, Send Message, Upload User Photo), and a Legend. The main content area shows 'Care Plans for Robert Amber, Age: 59 (Chart: AM12341)' with tabs for All, Asthma, COPD, Diabetes (selected), Heart/Stroke, Hypertension, and Prevention. Action links include Record Visit, Configure Plan, Print Flowsheet, and Remove. The 'History & Physical' table lists various guidelines with their status, update frequency, due date, and last updated date. The 'Labs & Tests' table is partially visible at the bottom.

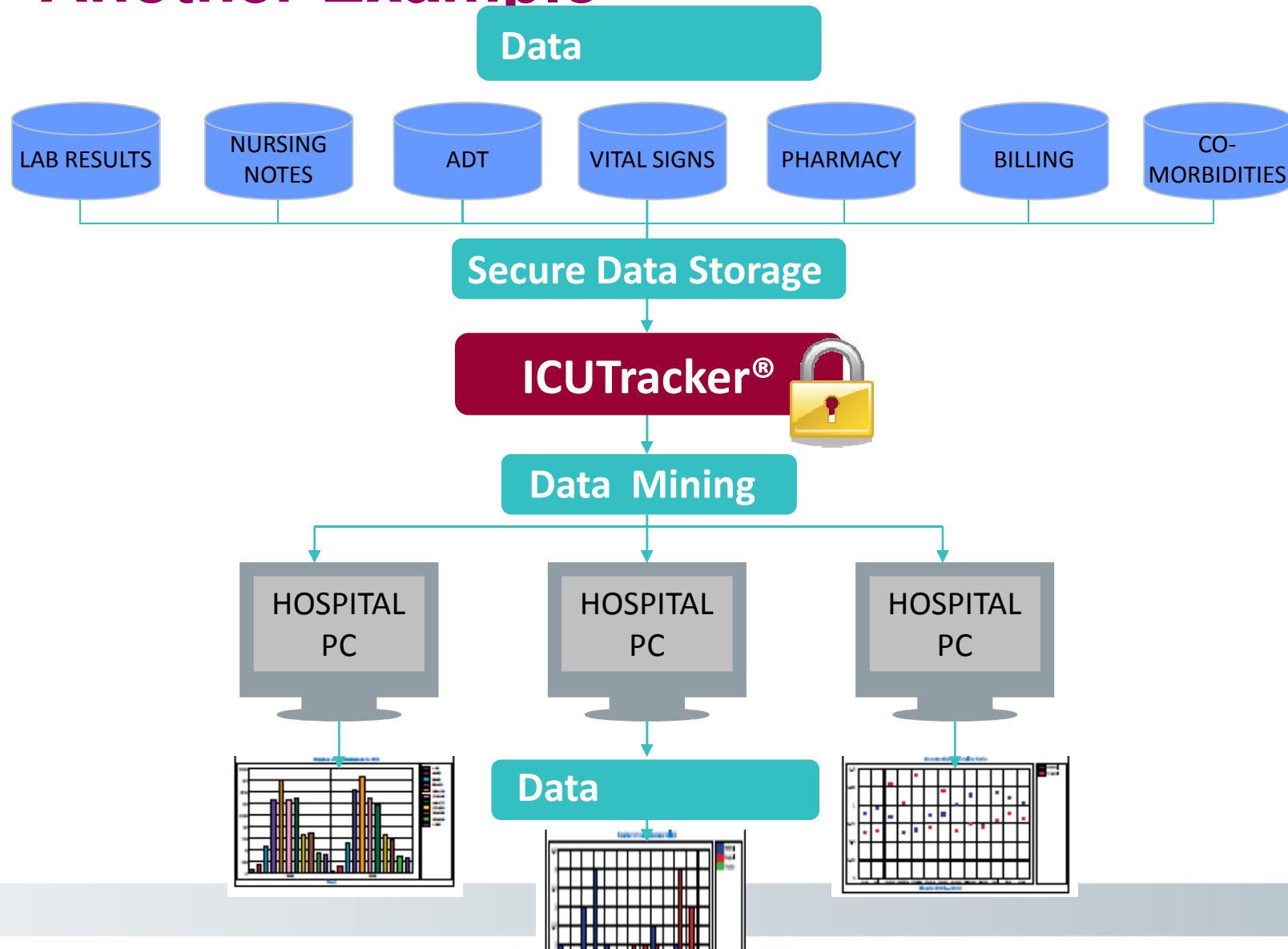
History & Physical

Status	Guideline	Update	Due Date	Updated
🟢	Diabetes Focused Visit	6 months	4/6/2011	10/6/2010
🔴	Blood Pressure *	Every Visit	10/9/2010	7/9/2010
🟢	Check Weight	Every Visit	1/6/2011	10/6/2010
🟢	Retinal Screening *	2 years	10/6/2012	10/6/2010
	Inspect feet (Not Applicable)	N/A	N/A	N/A
🔴	Comprehensive Lower Extremity Exam	2 months	6/12/2010	4/12/2010
🔴	Dental/Oral health assessment	6 months	9/29/2010	3/29/2010
🟢	Kidney Assessment *	2 years	1/8/2012	1/8/2010

Labs & Tests

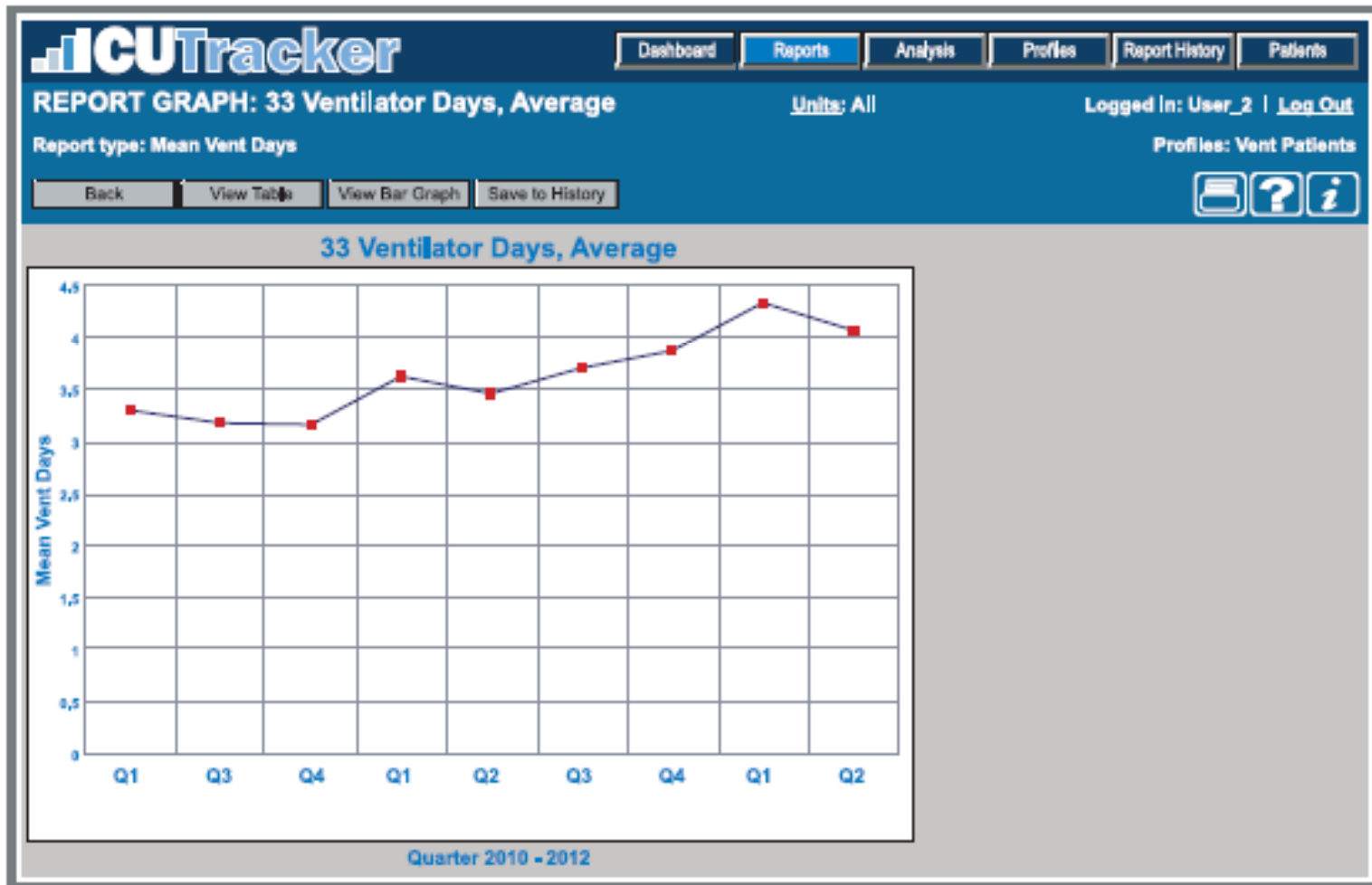
Status	Guideline	Result	Due Date	Updated
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Another Example



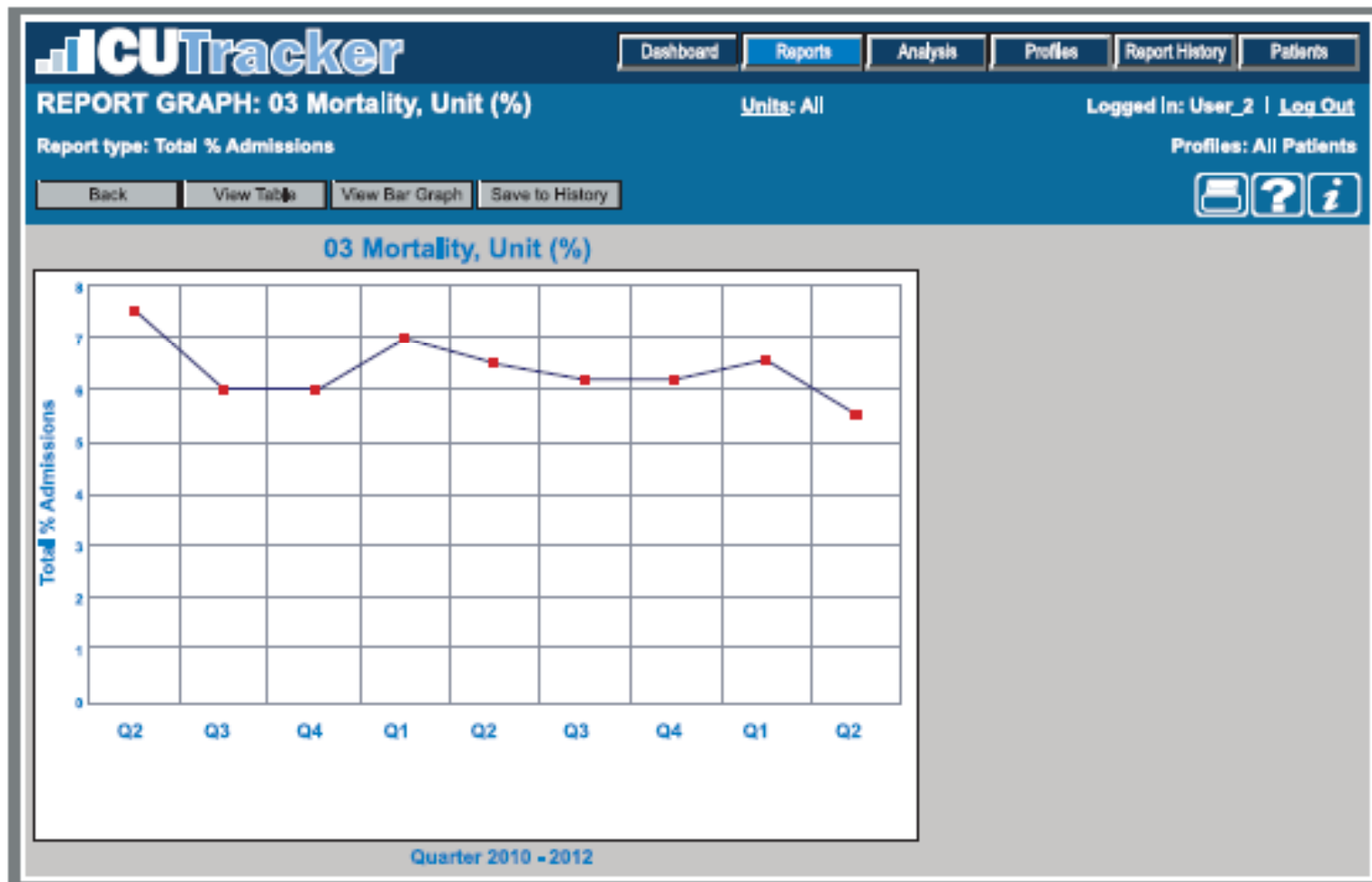
Report Examples

Ventilator Days Over Time



Report Examples

Unit Mortality (%) Over Time



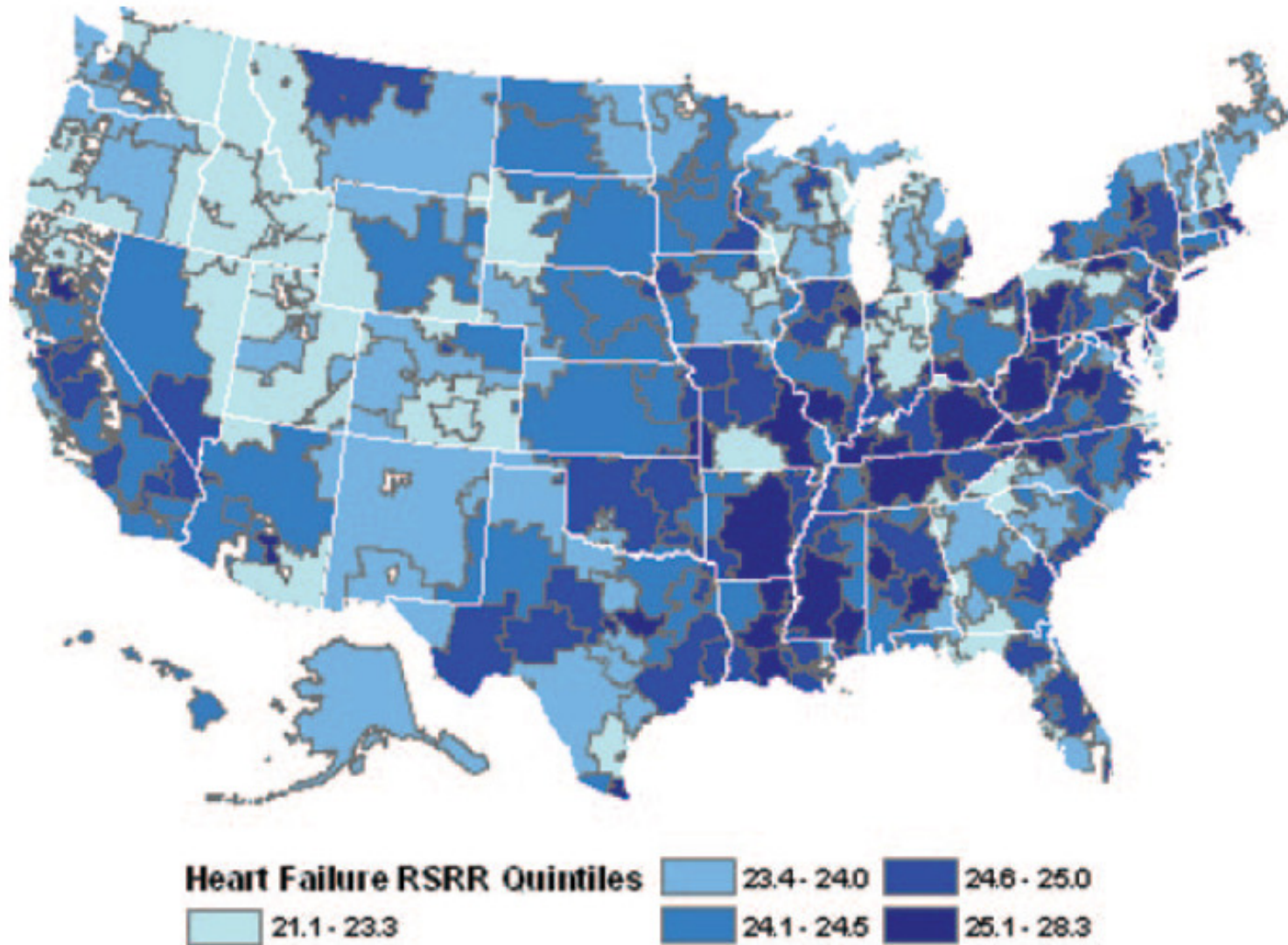


Success Takes More Than EHRs

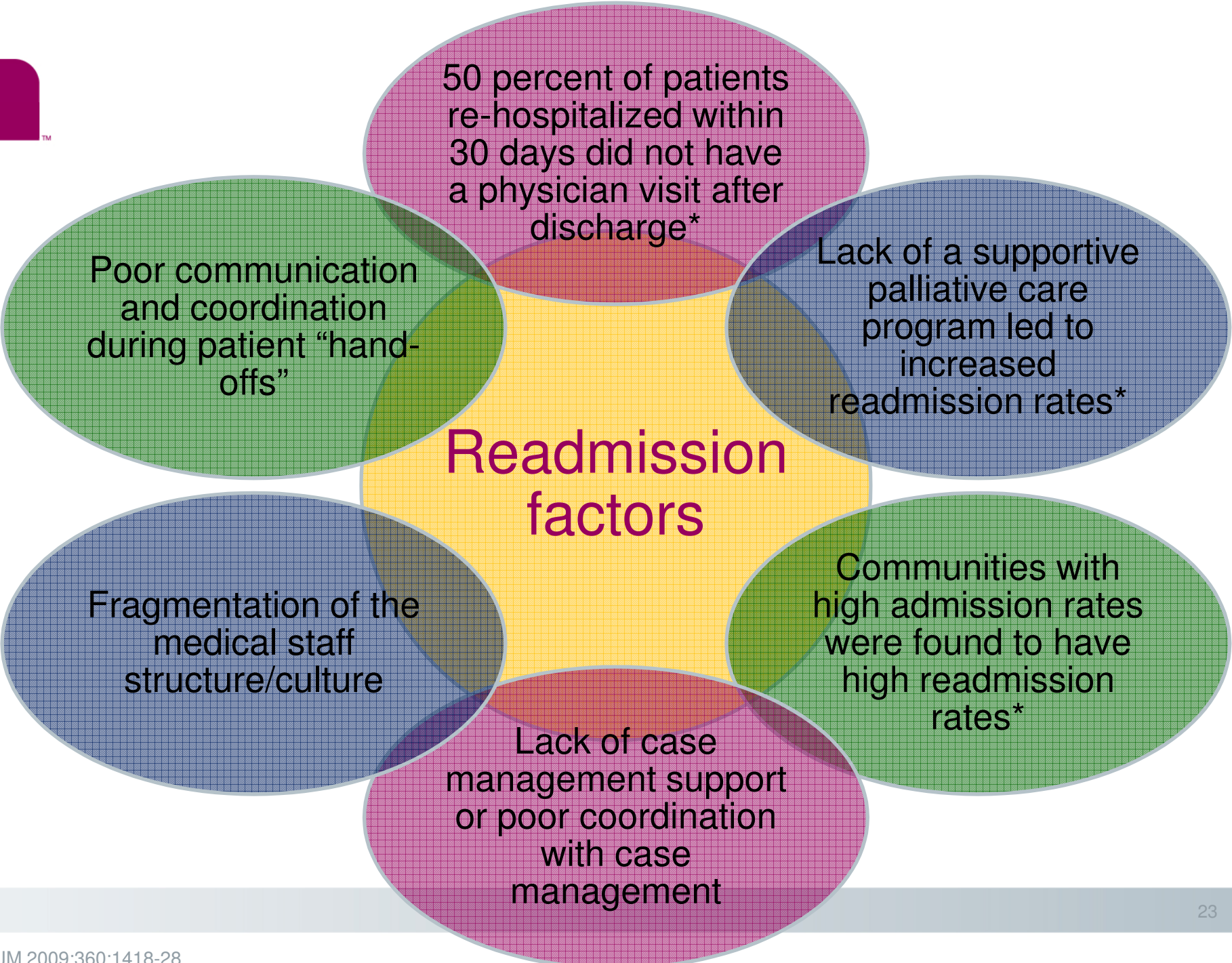
Installing EHRs and exchanging data is not enough; ACOs must have the right information at the point of care to support care decisions and to properly intervene in ways that address patients holistically

- Predictive modeling to define risk strata
- Evidence-based gaps in care information
- Real-time data access across care settings
- Care coordination among providers, staff, patients
- Patient-facing care plans, education, motivation, skills
- Remote telemedicine for monitoring high risk populations
- Primary care extenders, tools to manage select subpopulations
- Analytic tools for managing operational, clinical, financial metrics
- Tracking and managing quality metrics for operations, reporting, CQI

Heart Failure Readmission Rates



Bernheim SM et al. National patterns of risk-standardized mortality and readmission for acute myocardial infarction and heart failure: Update on publicly reported outcomes measures based on 2010 release. *Circ Cardiovasc Qual Outcomes* 2010;3:459-467.



50 percent of patients re-hospitalized within 30 days did not have a physician visit after discharge*

Lack of a supportive palliative care program led to increased readmission rates*

Poor communication and coordination during patient “hand-offs”

Readmission factors

Communities with high admission rates were found to have high readmission rates*

Fragmentation of the medical staff structure/culture

Lack of case management support or poor coordination with case management

AHFS Patient on Discharge...

Often discharged without complete resolution of the “deranged physiology” causing decompensation

Signs and symptoms lag behind worsening physiology

- Weight, shortness of breath, edema

“...the post-acute care period is one of great risk; this is specially true in the very first days following hospital discharge”

Hospital Readmission Avoidance

Identify at-risk patients and manage their comorbidities to avoid preventable hospital readmissions

Assist patients to optimize care transition post discharge

Provide data-driven technology / services for better care handoffs & coordination

Care management workflow platform

Array of telehealth monitoring devices for chronic care

Multimodal communication with patients per their choice



Seamless electronic data transfer

Training, support of, and collaboration with hospital discharge staff

Readmissions avoidance lowers costs & CMS penalties for hospitals

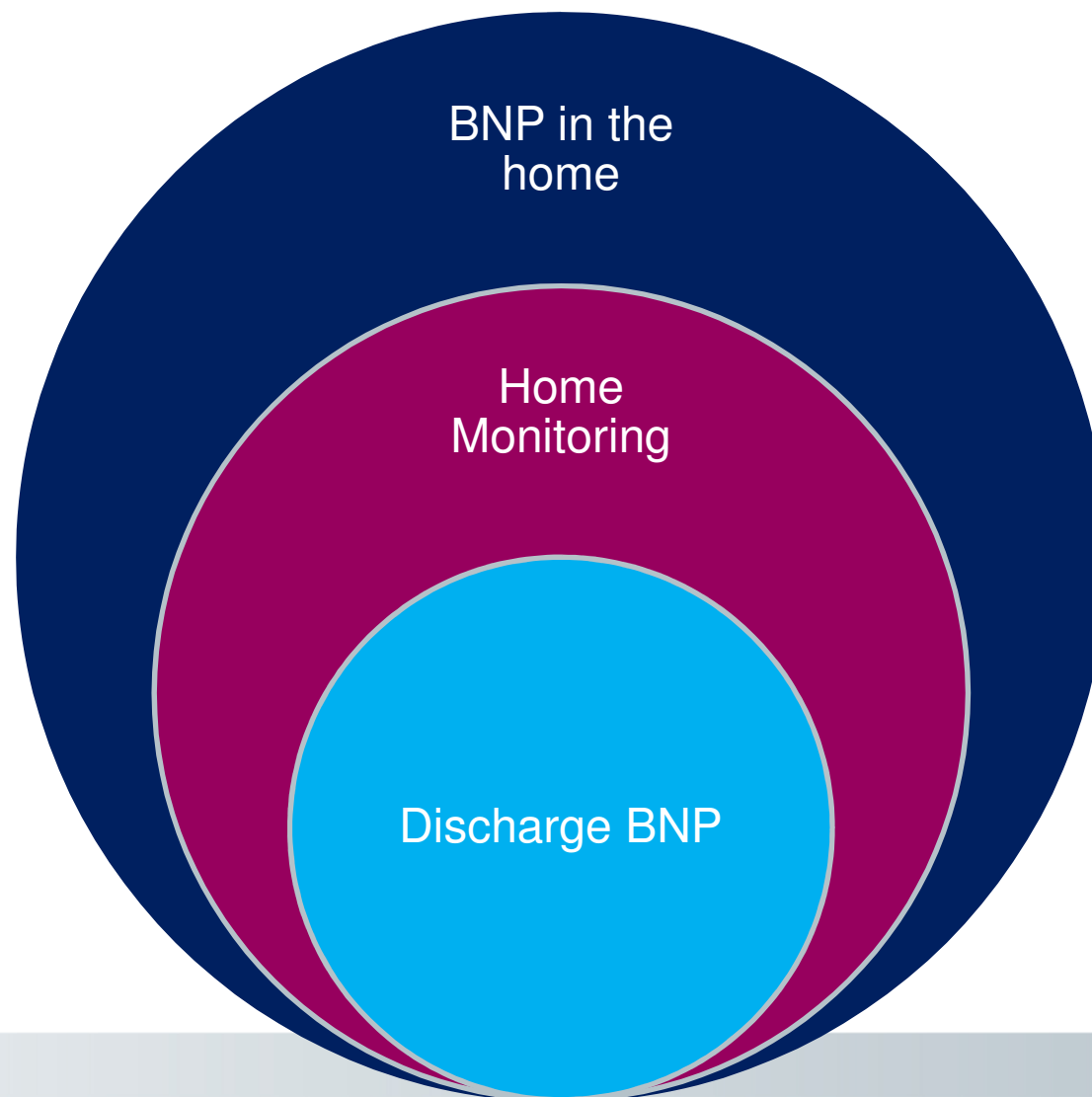
Strengthens hospital-provider, patient-provider relationships

Reduces patient hardship and morbidity from avoidable hospitalizations

Incorporates BNP level as acuity marker for individualizing follow-up services

Optional onsite and telephonic nurse coaching, monitoring, coordination

Alere/ACO-like HF Readmission Avoidance studies

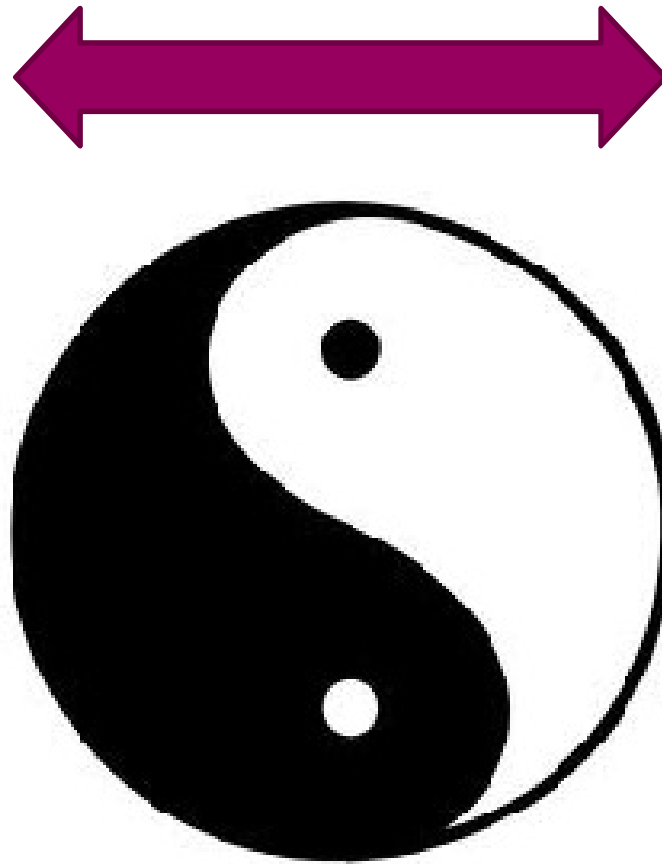


Yin & Yang of an Optimal Care System

How Opposing Forces are Interdependent & Balanced

Specialization

- Reductionist
- Cartesian view
- Essence defined by parts (machine)
- Scientific method
- Chemistry, physics
- Organ-centered care
- Disease focus
- Curing orientation
- Fragmenting



Integration

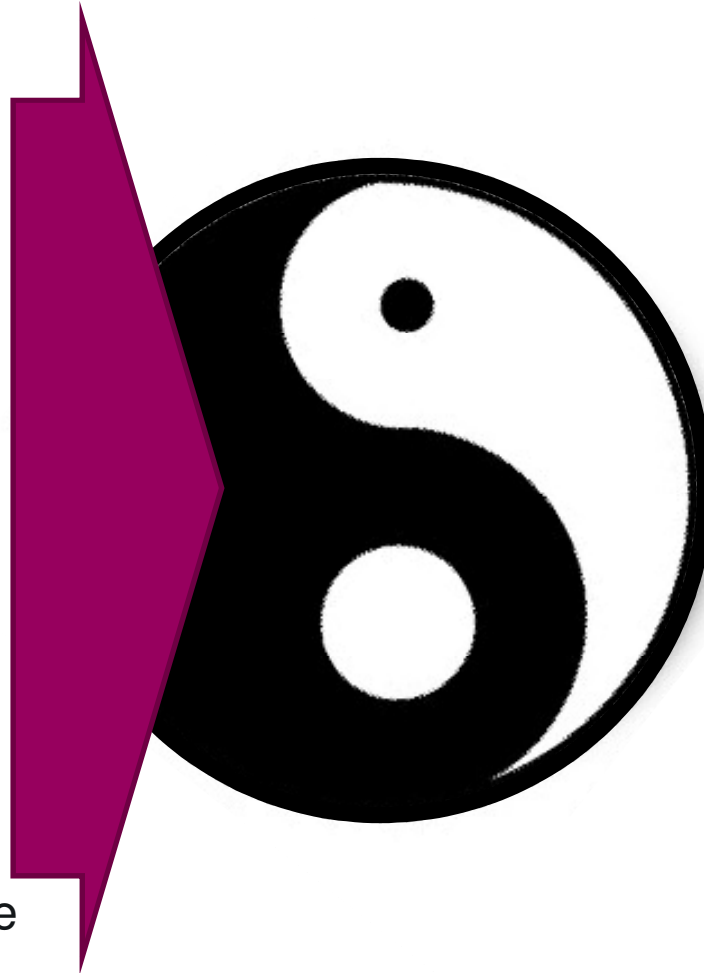
- Holistic
- Aristotelian view
- Whole is greater than sum of its parts
- Systems theory
- Complexity, chaos
- Patient-centered care
- Health focus
- Prevention orientation
- Defragmenting

Our Unbalanced Health Care System

Specialization Without Better Integration is Unsustainable

Specialization

- Uncoordinated care
- Process focus
- Poor handoffs
- Navigation hard
- Continuity lacking
- Little data exchange
- Waste, duplication
- Curing vs. caring
- Volume-based pay
- Incentives to do more

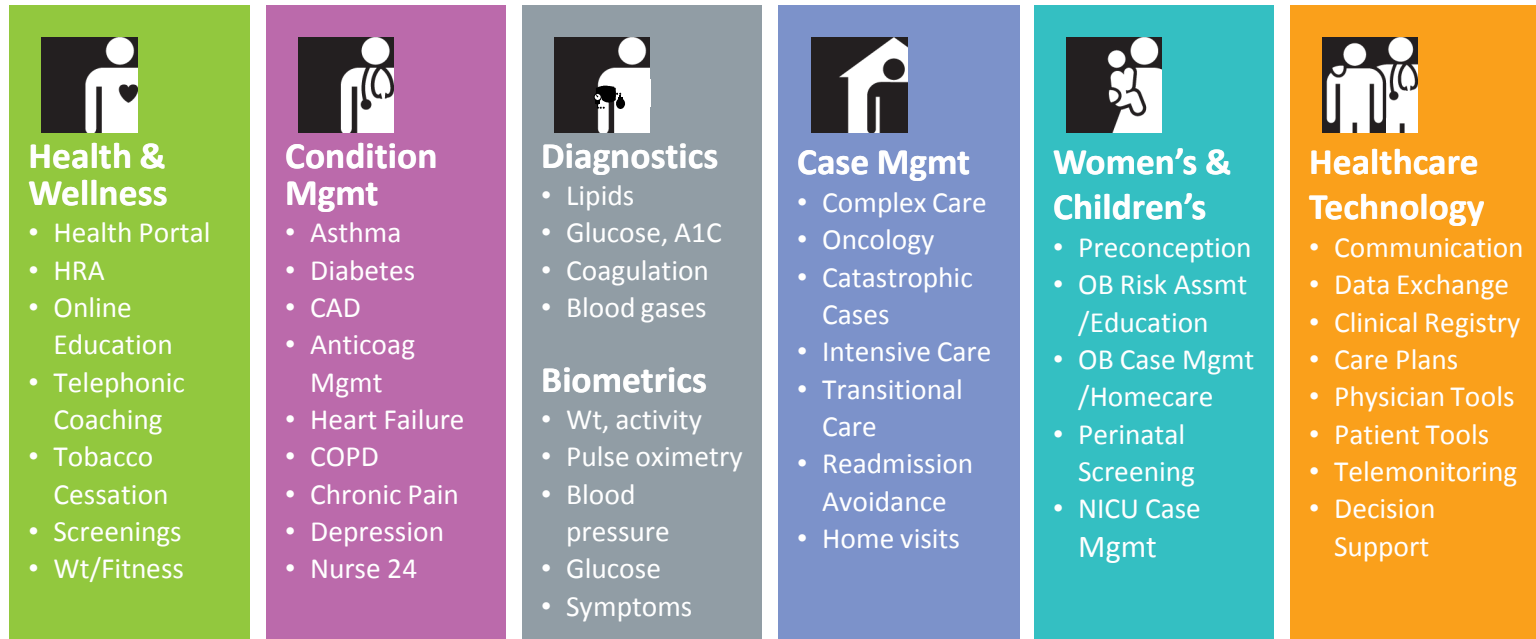


Integration

- Teamwork
- Triple Aim
- Care transitions
- EMR, PHR, HIE
- Accountable care
- Medical homes
- Participatory care
- Cost-effectiveness
- Value-based pay
- Incentives to do better

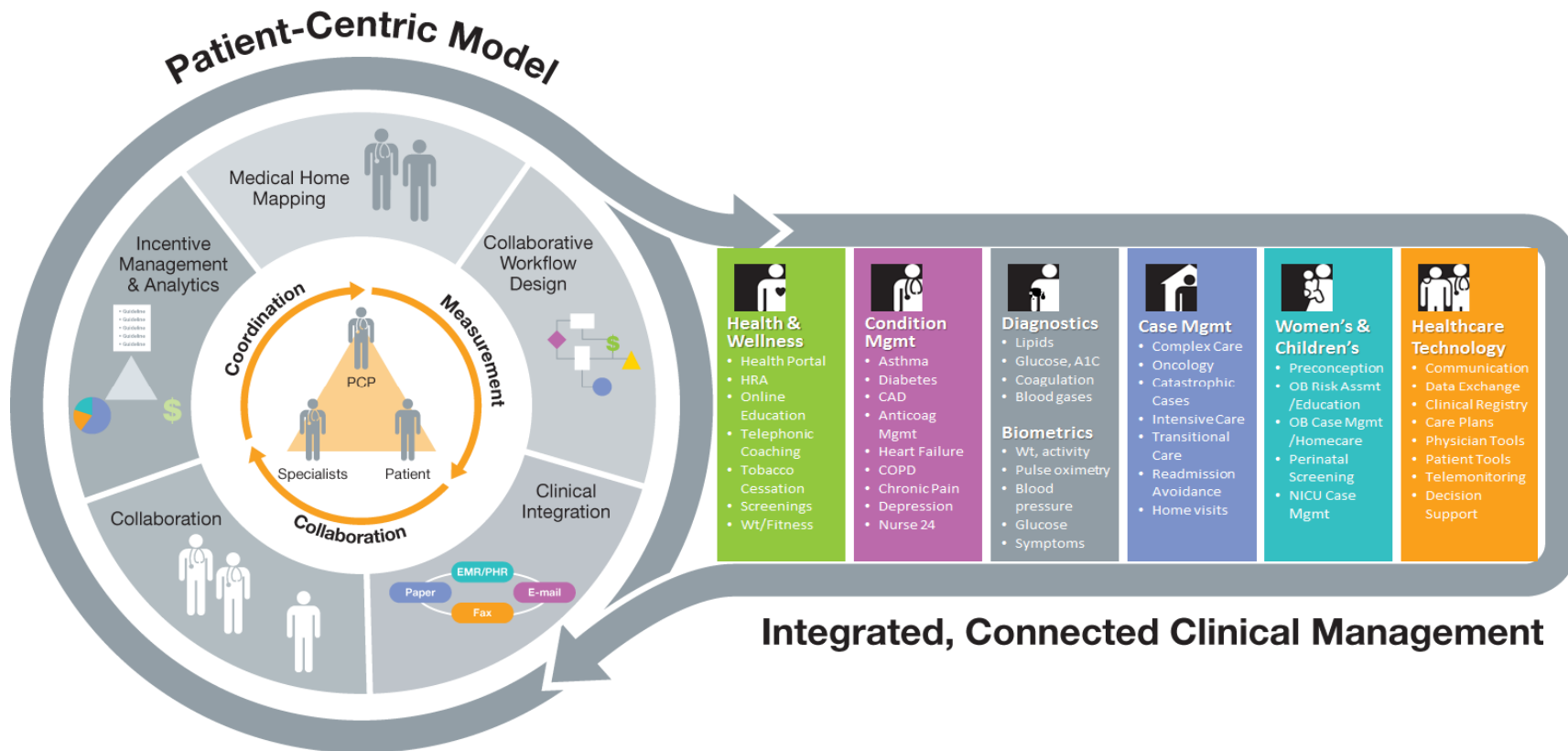
Support Across Continuum of Health

Comprehensive, Integrated Approach to Improving Population Health



Personal Health Support Model

Our Patient-Centric Approach Adapts to Needs of Individuals

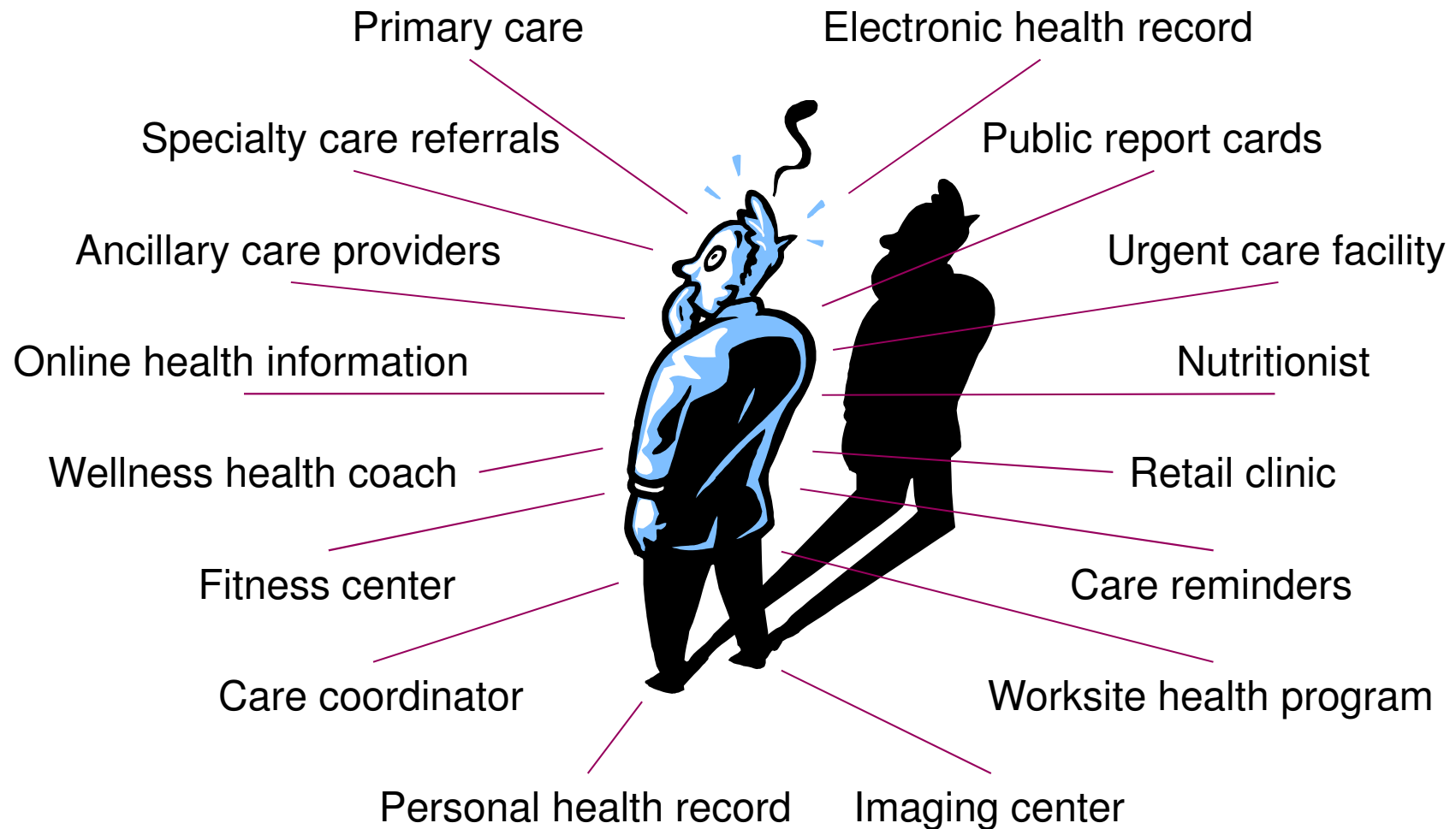


Integrated, Connected Clinical Management

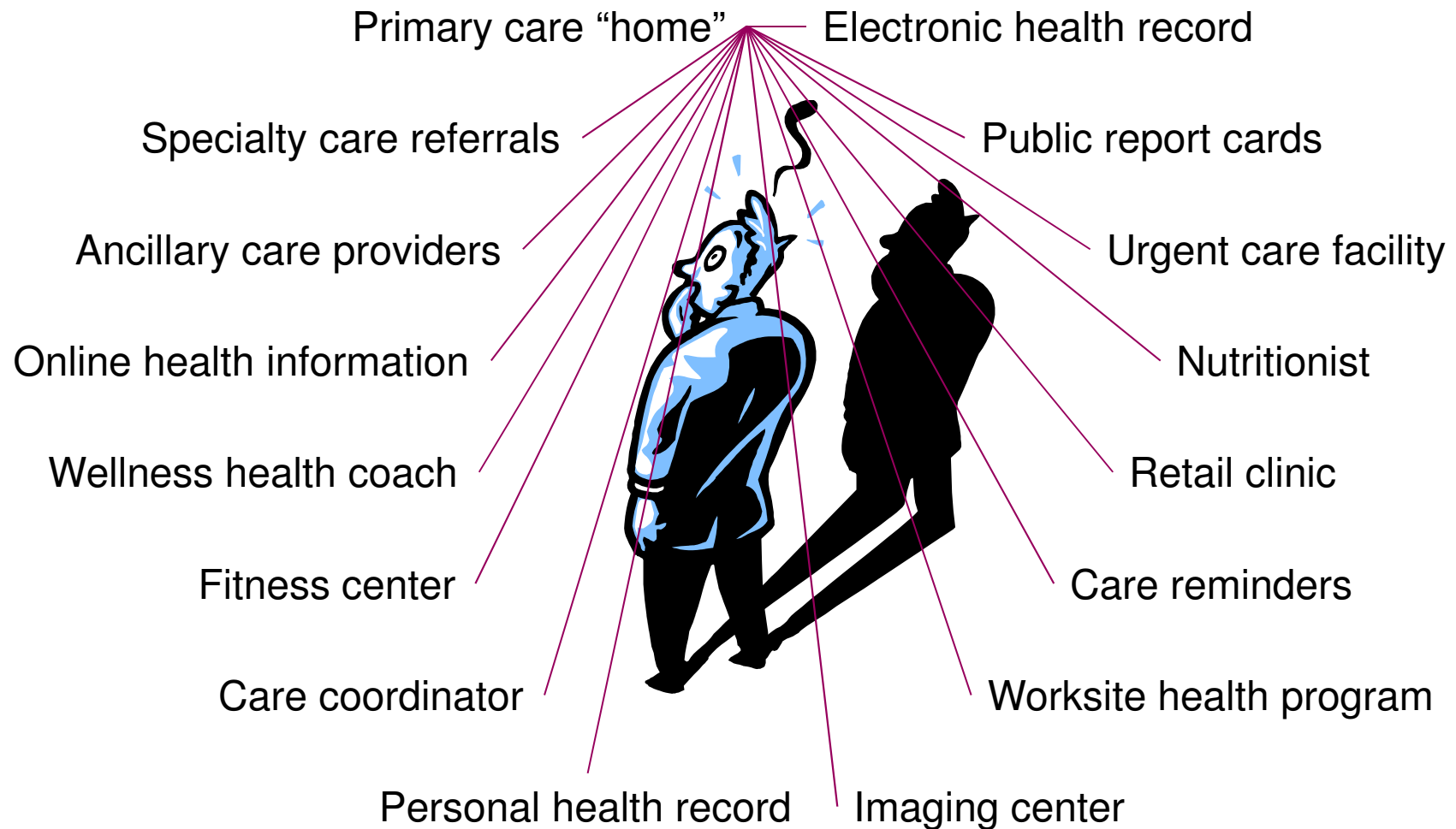
Collaborative consumer-centric model delivers care and measurable value across the health care continuum

It's Not Easy Being Patient-Centric

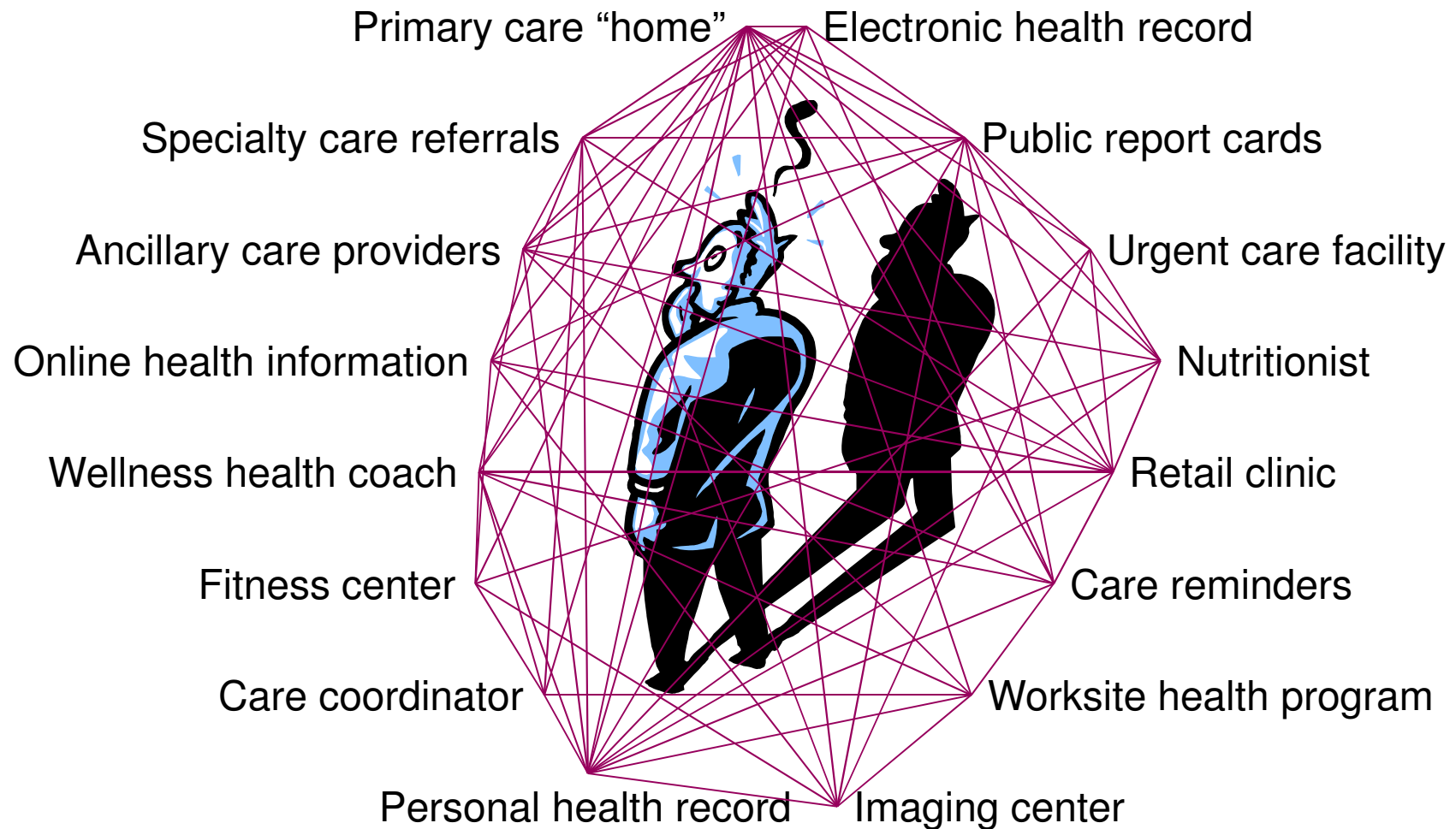
Even For Patients Who Are Striving for Optimal Health



This Would Be Nice

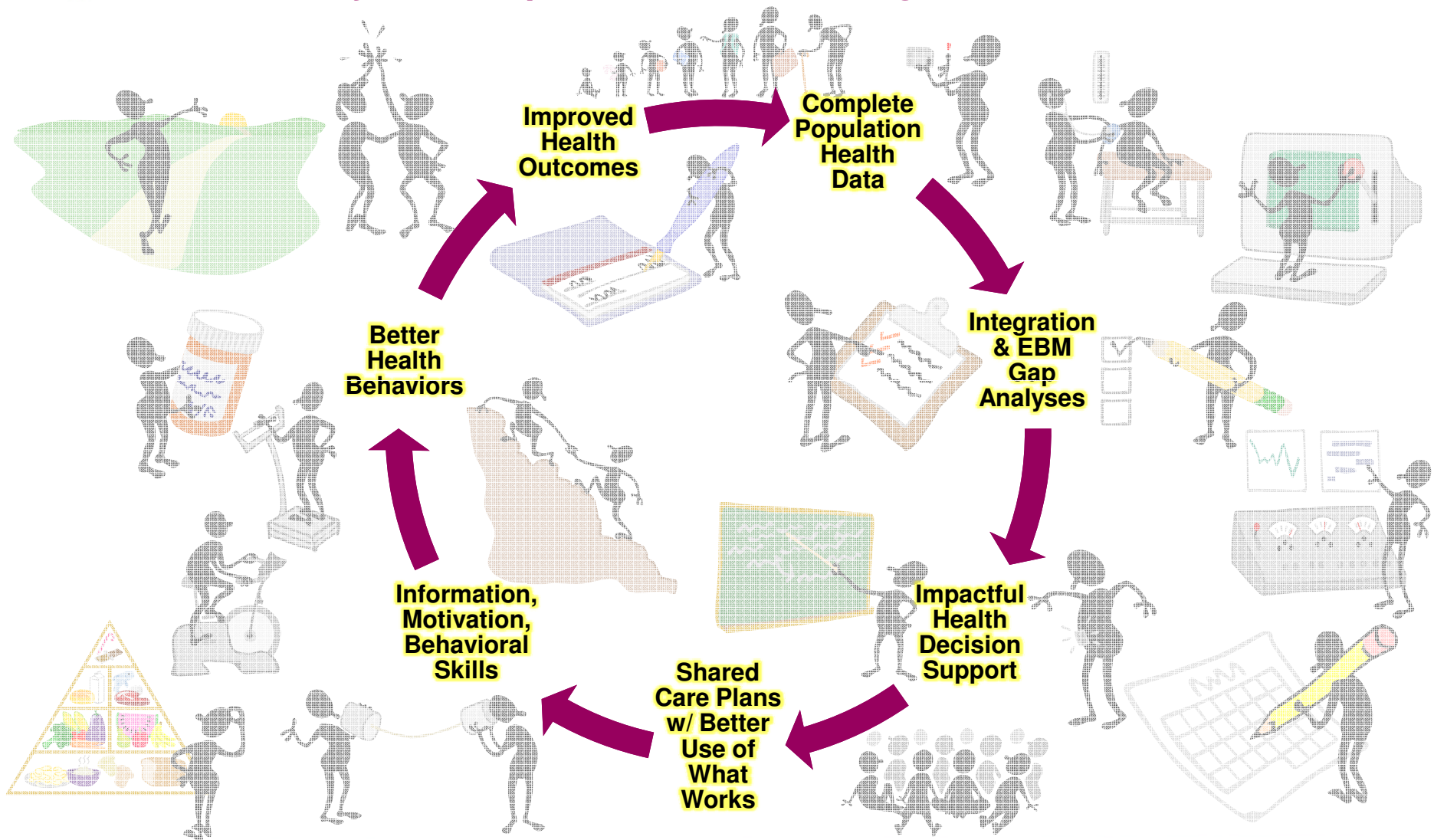


This is What We Want!



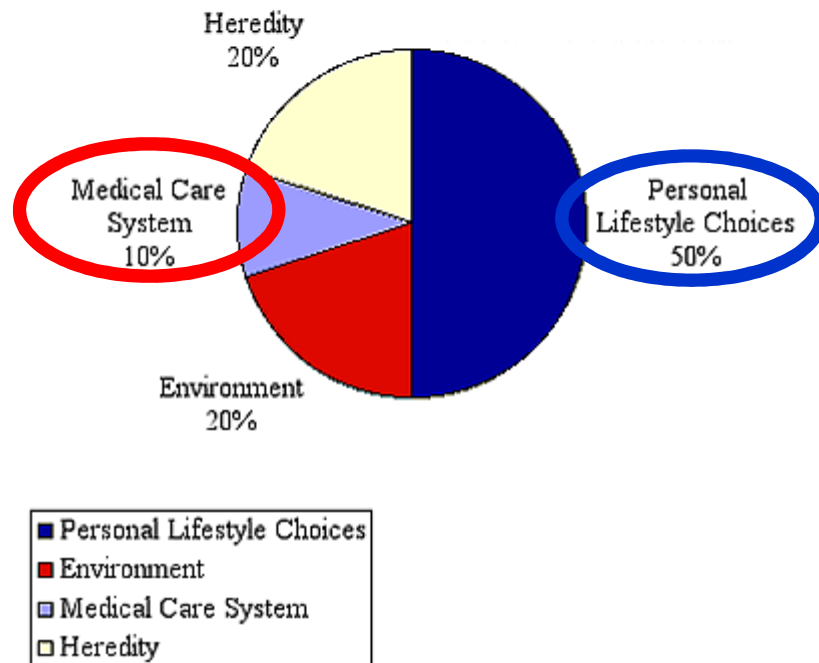
Value Chain For Accountable Care

A Virtuous Cycle of Population Health Management

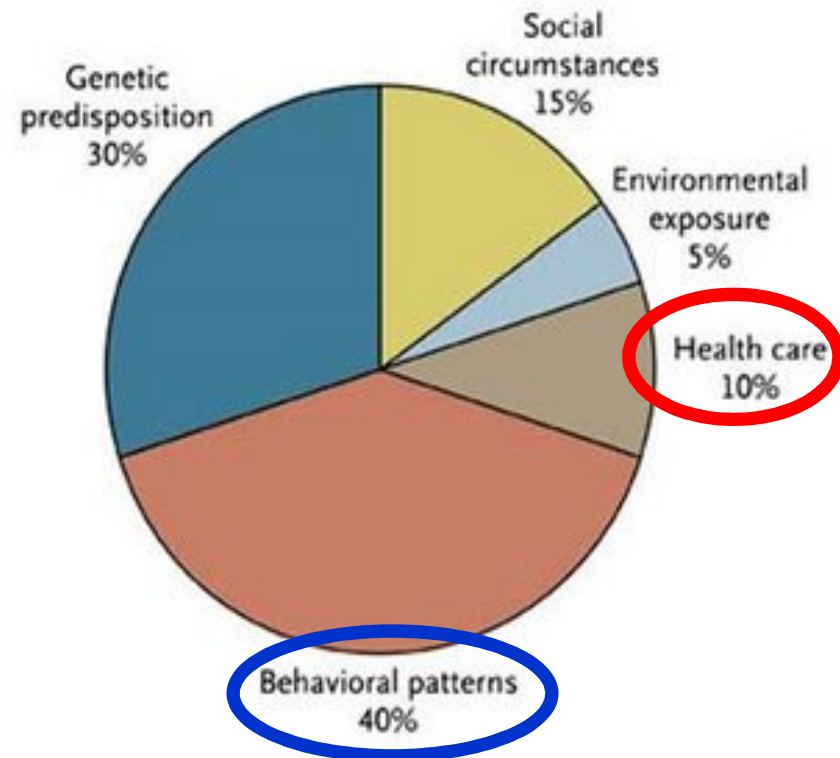


It Takes More than Health Care Providers

Factors Contributing to Health
Based on figures from the National Center for Health Services, Centers for Disease Control and National Institutes for Health.

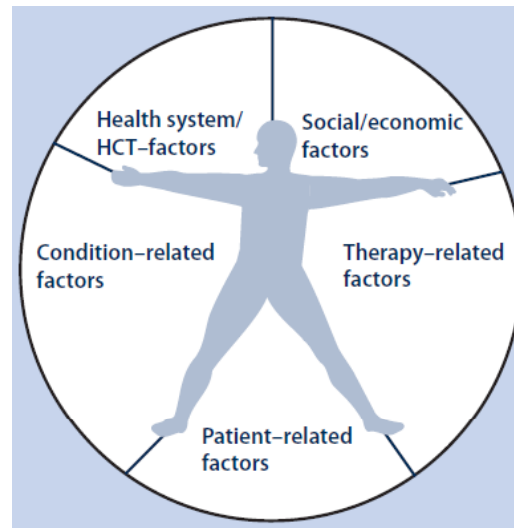


Proportional Contribution to Premature Death
Schroeder S. N Engl J Med 2007;357:1221-1228



Why Do We Behave As We Do?

Health Behaviors Are Multifactorial and Resistant to Change

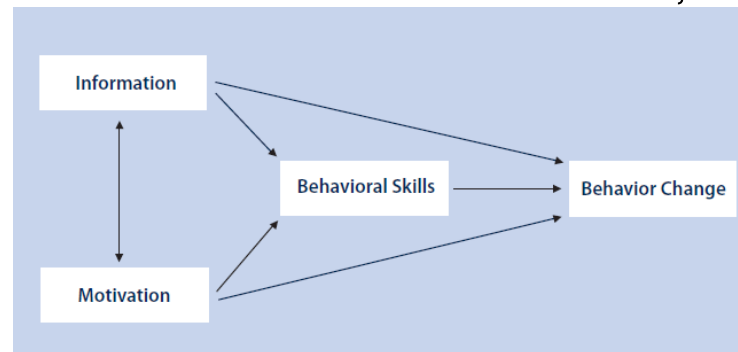


How **WHAT** to change and

WANT to change?

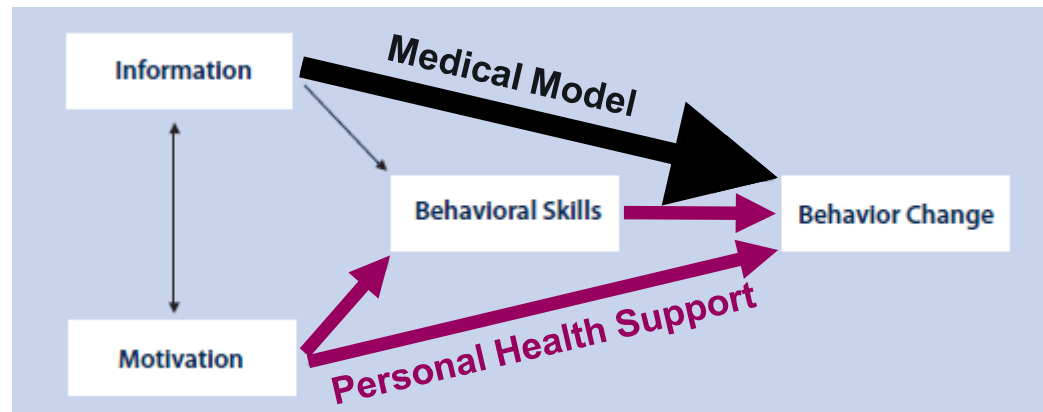
How **HOW** to change?

Health behavior change requires **information**, **motivation**, and **behavioral skills**



The health system must be able to achieve a high level of sustained health behavior change over time

Why Doesn't Care Change Behavior?

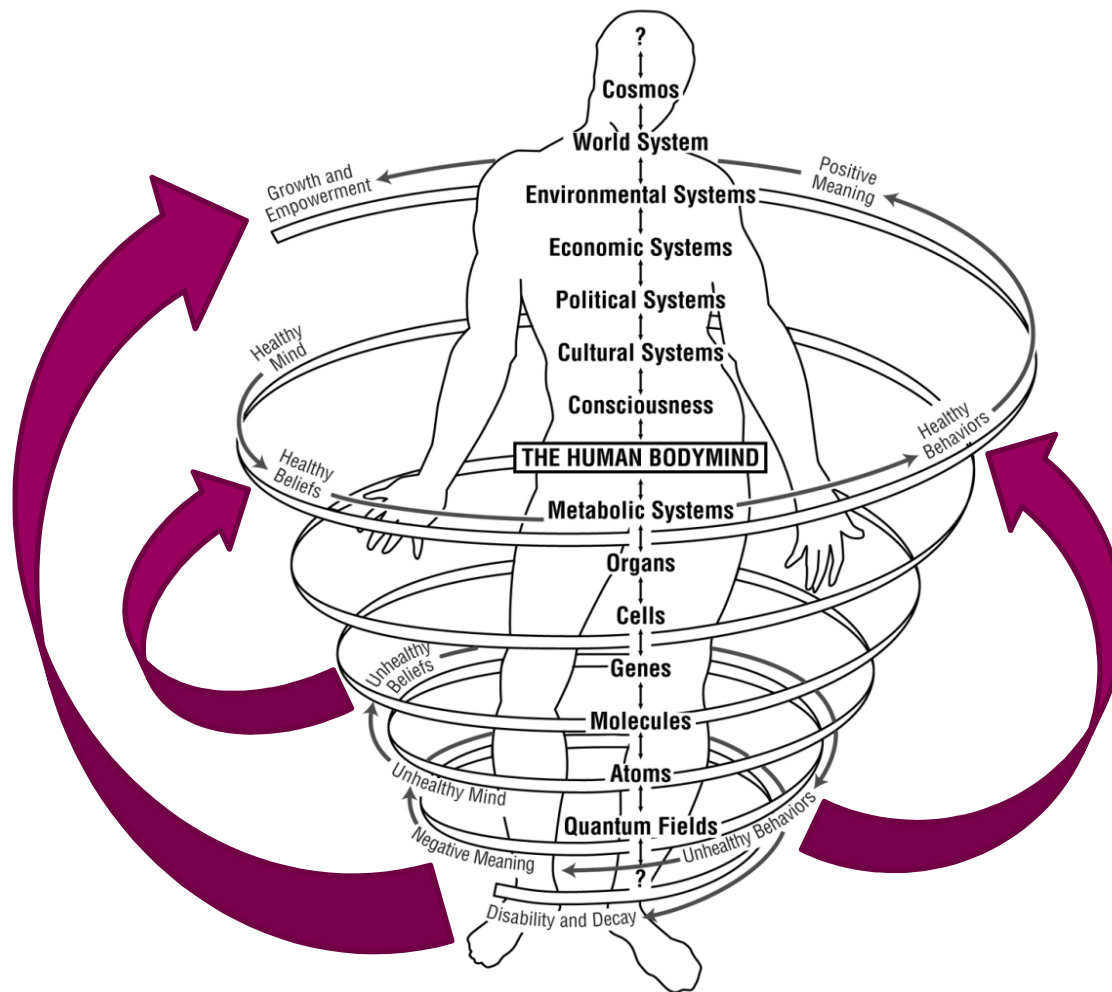


- Information is a prerequisite for changing behavior, but itself is insufficient; sustained motivation and appropriate behavioral skills are also necessary
- The classic “medical model” focuses on providing information via hierarchical authority and expertise, with little attention to motivation and requisite skills
- When unsuccessful, clinicians tend to add shame, guilt, &/or intimidation to the message, further demotivating patients and defeating our original purpose

Most physicians and nurses are not ideally socialized, trained, or supported to provide sustained motivation and good behavioral skills

Needed: “Care As If Health Matters”

That Is, Care That Is Accountable for Determinants of Health



- Treating people as the human, fallible, habit-prone, adaptable, stubborn, resilient, irrational, complex creatures that we are
- Shaping unhealthy beliefs into healthy ones
- Supporting change of unhealthy behaviors into healthy behaviors
- Mitigating morbidity & disability while supporting growth and empowerment

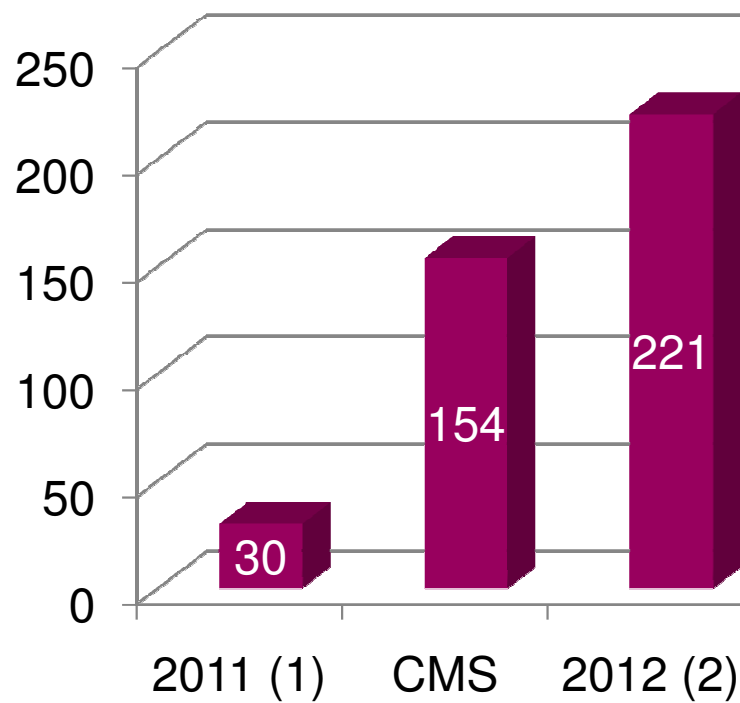
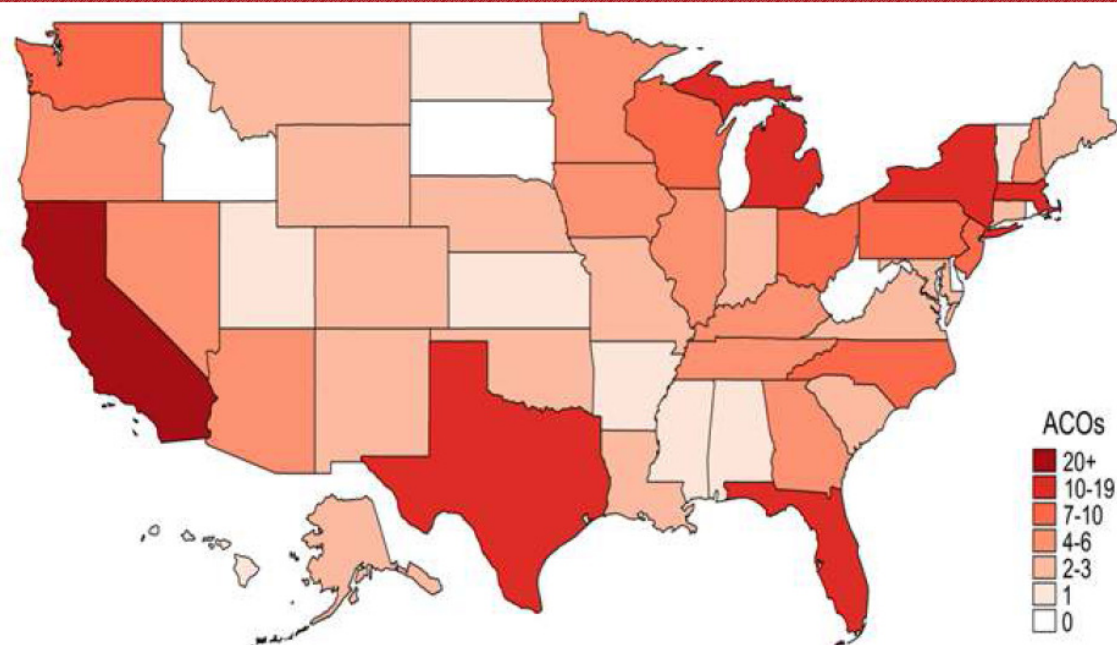
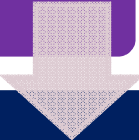


FIGURE 1. ACO DISTRIBUTION BY STATE

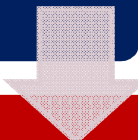


Who Is Leading the Way?

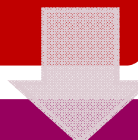
PPACA suggested that CMS would take national lead on defining the evolution to accountable care through MSSP



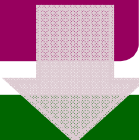
Early provider response to CMS ACO program was tepid, now warming up with addition of other CMMI approaches such as Bundled Payment Model, Pioneer ACO, Advanced Primary Care model, etc.



Commercial health plans are already participating in many ACO “pilots” and “demonstrations” testing value-based contract structures, P4P, new collaborations and technologies

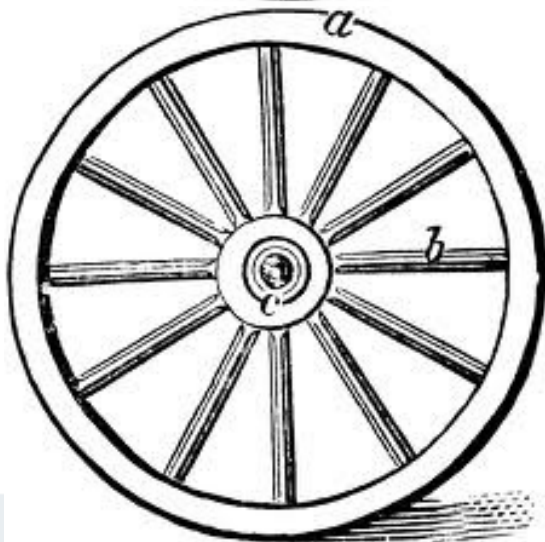


It appears that national payors are amassing the requisite resources to be key strategic partners with ACOs



It seems likely that commercial plans will lead the way for the next few years, even if it still requires CMS’s offering of a viable ACO pathway to achieve “critical mass” on national scale

What are ACOs Gonna Look Like?



What are ACOs Gonna Look Like?

Group of independent physicians together through an independent practice association in affiliation with other providers

Group practice (primary care or multispecialty)

Physician/hospital organization

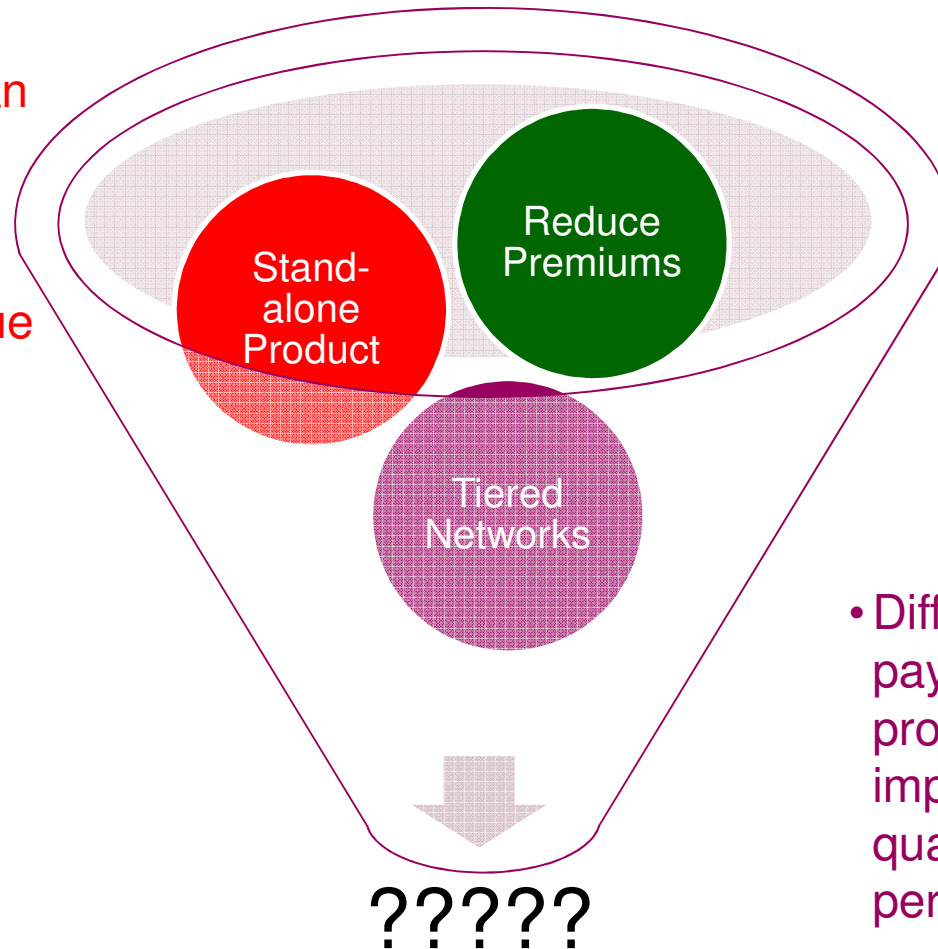
Health system where the physicians are employees

IDNs with hospital owned practices, physician employees, etc.

TBD

How Might Payors Structure This?

- Separate health plan option offered alongside the traditional benefits
- Lower premiums due to coordinated care
- Narrower list of providers
- Better benefits? Lower co-pays?



- Reductions derived from lower HC costs
- For members who opt into the program

- Different co-payments with ACO providers that show improved quality/cost performance

HMOs

- Ended up focusing on contracts and setting payment rates

ACOs

- Intend to use incentives and long term arrangements to improve quality in ways that reduce costs.

HMOs vs. ACOs: Another Difference

Quality/Patient Experience Required Measures

Preventive Health

- Influenza immunization
- Pneumococcal vaccination
- Adult weight screening/Follow up
- Tobacco use assessment and cessation
- Depression screening
- Colorectal cancer screening
- Mammography screening
- Proportion of adults with blood pressure screen in past two years

At-Risk Populations

- Diabetes
 - A1c control
 - Low density lipoprotein
 - Blood pressure
 - Tobacco non-use
 - Aspirin use
 - Hemoglobin A1c
- Hypertension
 - Blood pressure control
- IVD
 - Complete lipid profile and LDL control
 - Use of aspirin/antithrombotic
- Heart Failure – Beta Blocker for LVSD
- CAD
 - Drug Therapy for Cholesterol
 - ACE and ARB Therapies

Care Coordination/Safety

- COPD (PQI#5)
- Congestive heart failure (PQI#8)
- Risk standardized, all condition readmission
- % of PCP qualify for EHR incentive payment
- Med reconciliation after inpatient discharge
- Screening for fall risk

Patient Experience (CAHPS)

- Timely care, appointments & info
- Doctor communication
- Patient rating of doctor
- Access to specialists
- Health promotion & education
- Shared decision making
- Health status/Functional status

Early Report: Blue Shield, CA


Dignity Health, Blue Shield of CA and Hill Physicians ACO collaboration begun in Jan 2010


Each organization shares clinical and case management information in order to tightly coordinate care.


They agreed to contribute to cost savings and bear the financial risk for any variance from the project's cost reduction goals.


Success depends on taking cost out of the delivery system, not by shifting risk to other partners.

Cost-saving strategies

- 
- Manage utilization through coordinated operational infrastructure and clinical processes.

- 
- Personalize care and disease management to eliminate unnecessary utilization and noncompliance with evidence-based care.

- 
- Reduce physician clinical and resource variation through quantitative analysis and targeted interventions.

- 
- Reduce pharmacy costs through directed member outreach, drug purchasing and contracting strategies.

- 
- Facilitate communication of patient medical information through integrated electronic health information.



- ▼ In patient readmissions: 15%
- ▼ Inpatient days: 15%
- ▼ Inpatient stays of 20+ days: 50%
- ▼ Half day reduction in average LOS

\$15.5 Million saved

In 2010-2011 the parties shared a savings
pot of \$8 Million

Another Success Story

- Reduce LDL targets for high risk patients.
- 100 mg/dL → 70 mg/mL

NCEP

However

- Several studies show only 15-30% reach this goal

- 7427 patients managed by nurses, pharmacy and MDs
- Meds, diet and lifestyle
- EHR and disease registries were key to coordinate patient care

Kaiser (Denver) project

Results

43% achieved target goal
87% could use generic drugs

Credit

Authors credit the integrated care delivery model, supported by electronic medical records and health information technology

ACE Bundle Demonstration

CMS project

Acute Care
Episodes

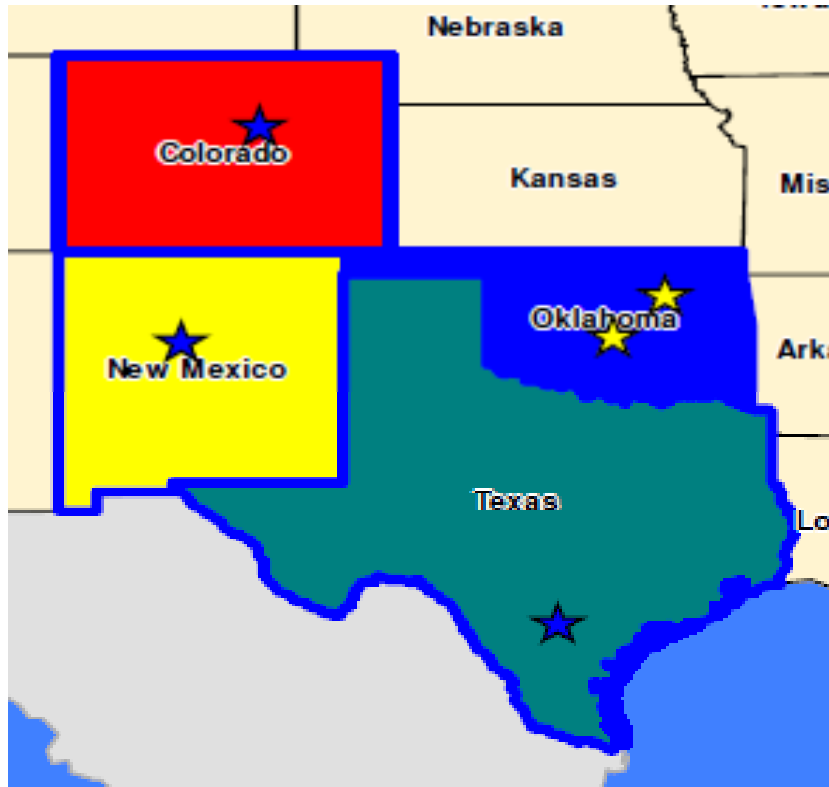
Jan 2009

5 health
systems

Specific DRGs
(cardiac and
orthopaedic)

Inpatient costs
only

Bundle Demonstration Sites



- Baptist Health System
San Antonio
- Oklahoma Heart Hospital
Oklahoma City
- Exempla Saint Joseph
Hospital
Denver
- Hillcrest Medical Center
Tulsa
- Lovelace Health System
Albuquerque,

ACE Bundle Demo Scope

# DRGs	Acute Care Episode
6	Cardiac Valve and other Major Cardiothoracic Procedures
2	Cardiac Defibrillator Implant
6	Coronary Bypass
8	Pacemaker Procedures
6	Percutaneous Cardiovascular Procedure
2	Bilateral or multiple major joint procedures of lower extremity
2	Revision of hip or knee replacement
2	Major joint replacement
2	Knee procedures

ACE Bundle Results-Hillcrest



\$1.59 MM savings in cardiac and orthopaedic services

CMS is paying \$450 less per knee replacement

Key quality measurements remained strong, and some — such as readmission rates, use of prophylactic antibiotics and length of stay — improved



ACE Bundle Results-Hillcrest and Lovelace

7 percent
savings on
orthopedics
implants

\$300,000 per
year

Similar
savings were
achieved on
cardiology
implants

Observations

Bundled payments create a tighter connection to physicians

- "Probably the most significant area of [success] was physician involvement,"
- When physicians see the costs and ramifications of the entire episode of care, they are more likely to be more economical and efficient in their choice of implants, testing and other areas of clinical decision making

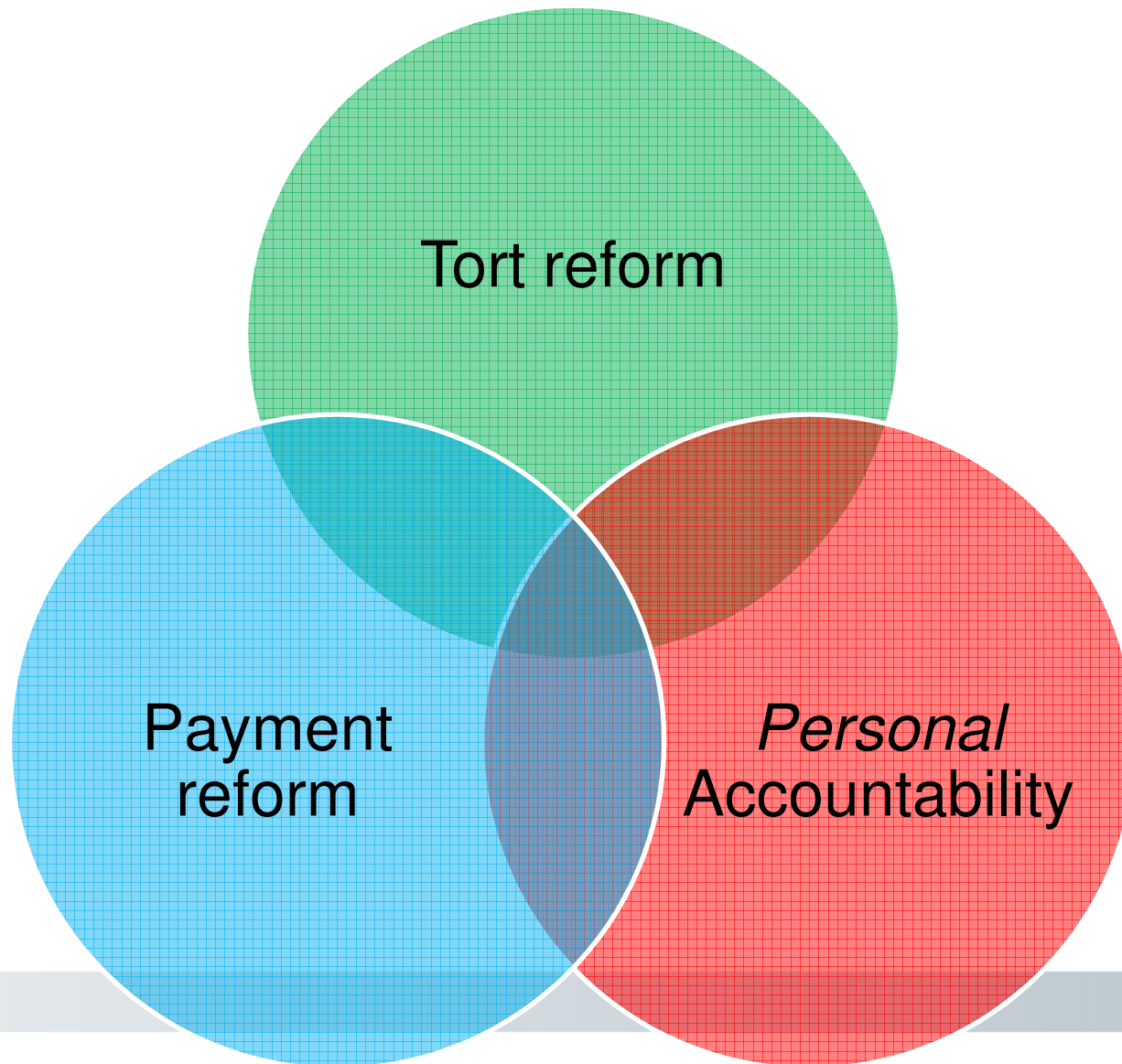
Cost Savings without rationing of care

- Level of treatment and quality measures were unaffected.
- Outcomes metrics are unchanged
- Standardizing processes reduces variability in outcomes and improves quality

The ROI for standardization has its limits

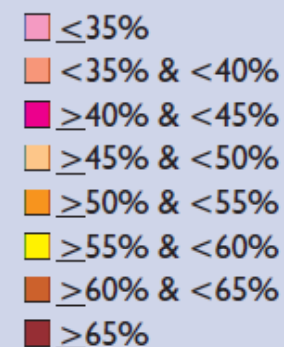
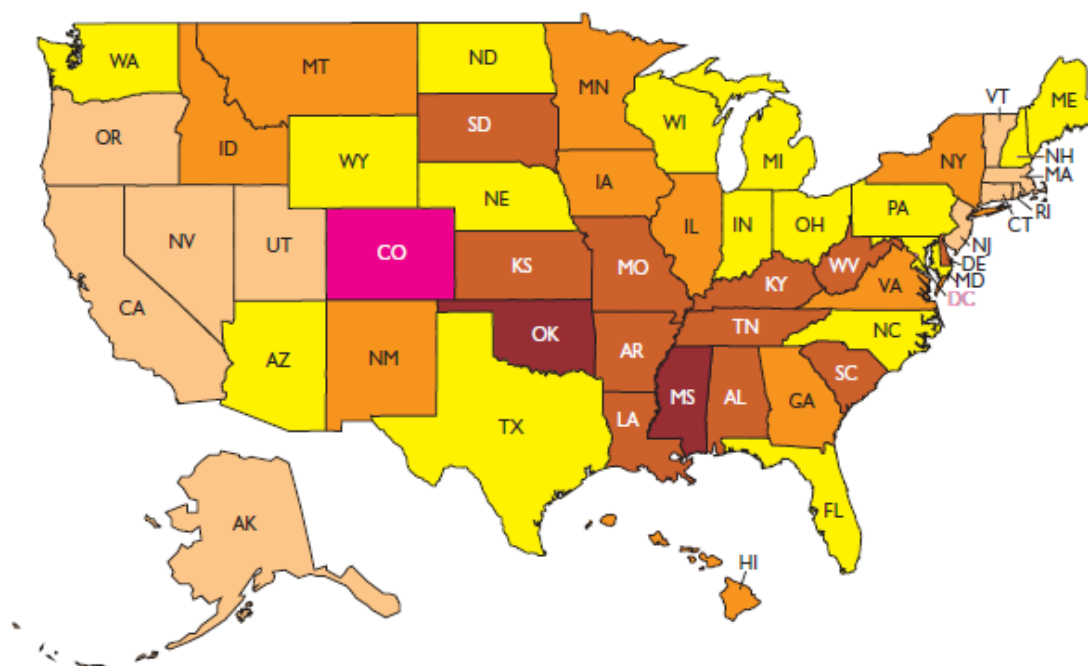
- Bundling will be a greater challenge for complex medical cases such as diabetes, congestive heart failure and other chronic conditions

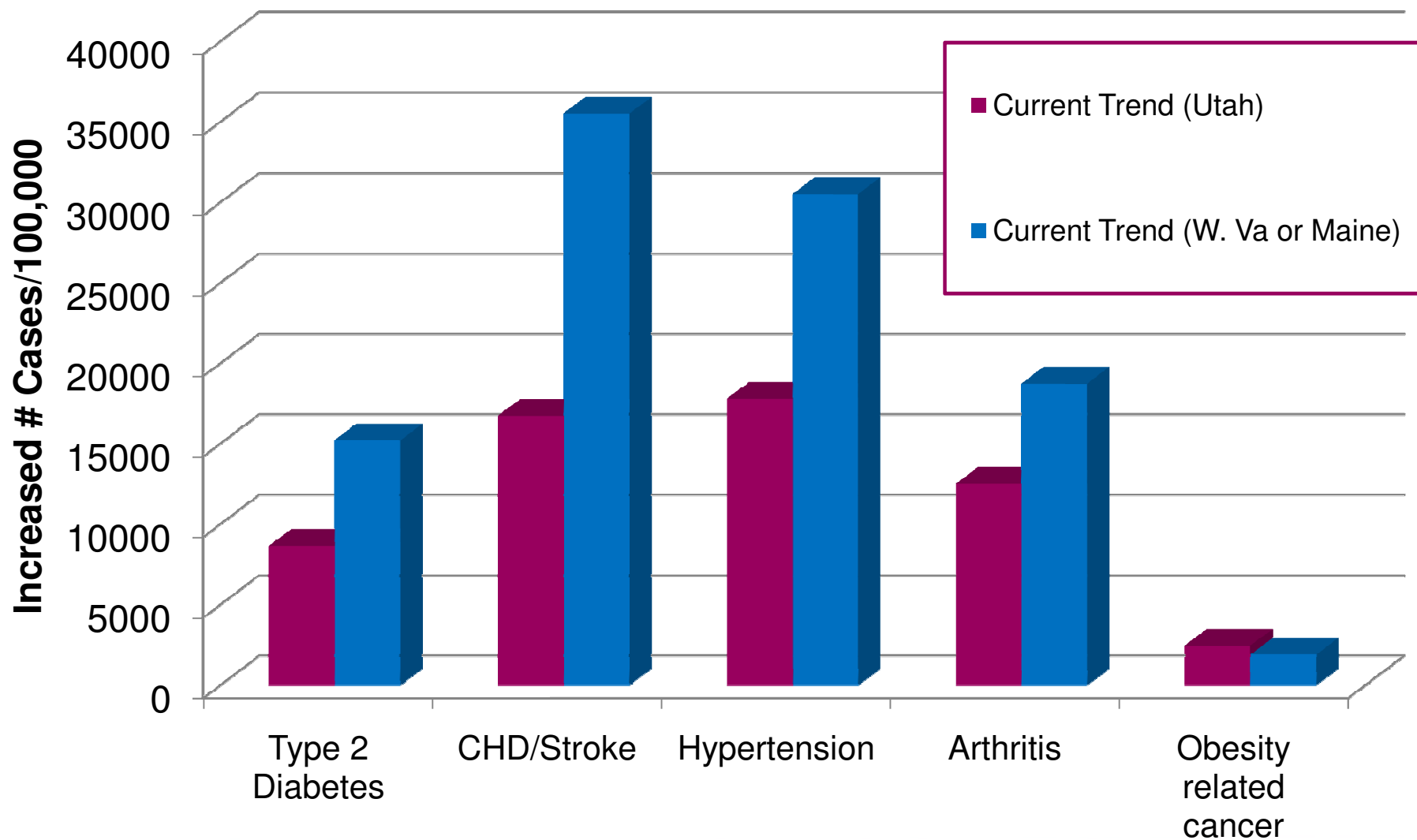
What Else Might we Need?

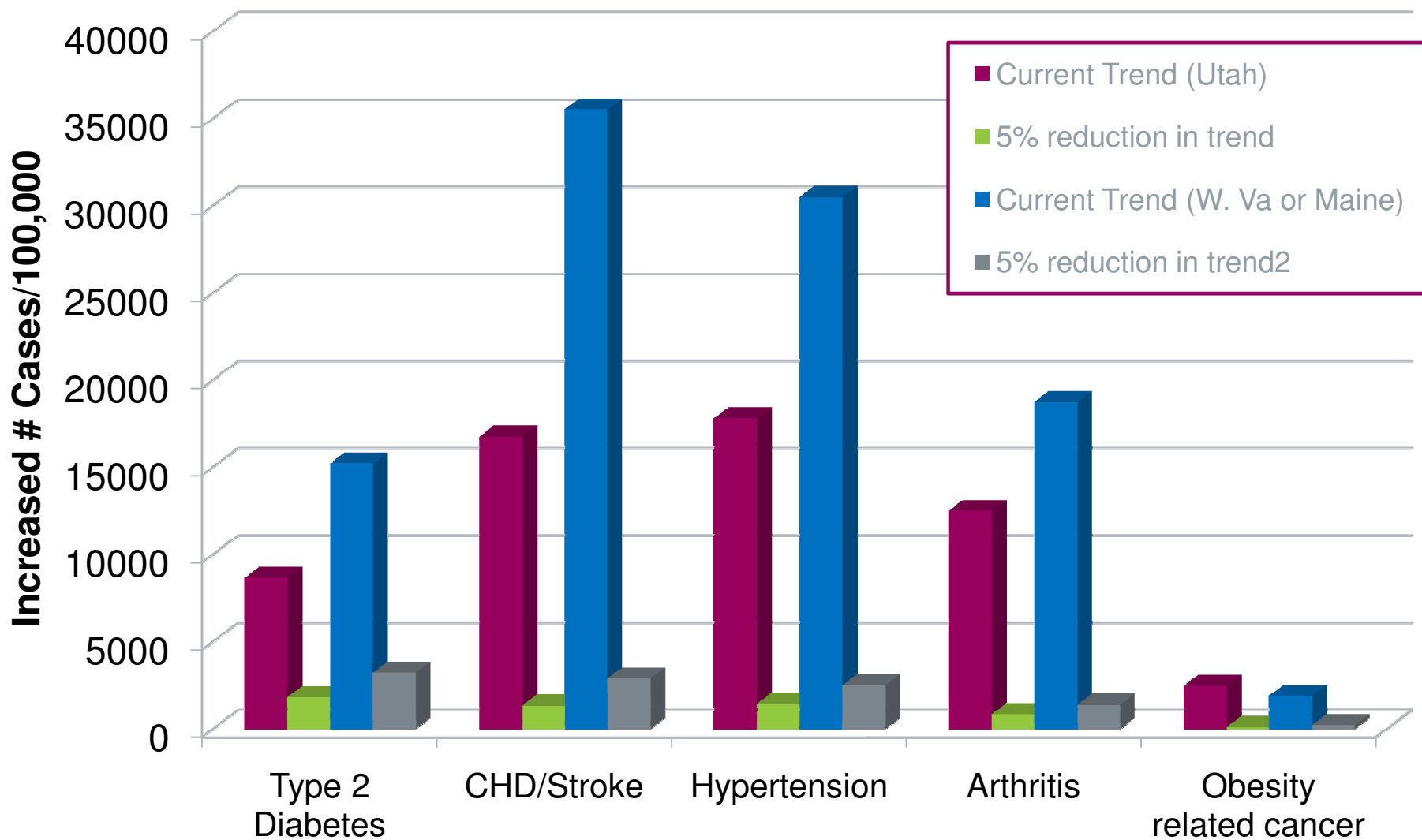


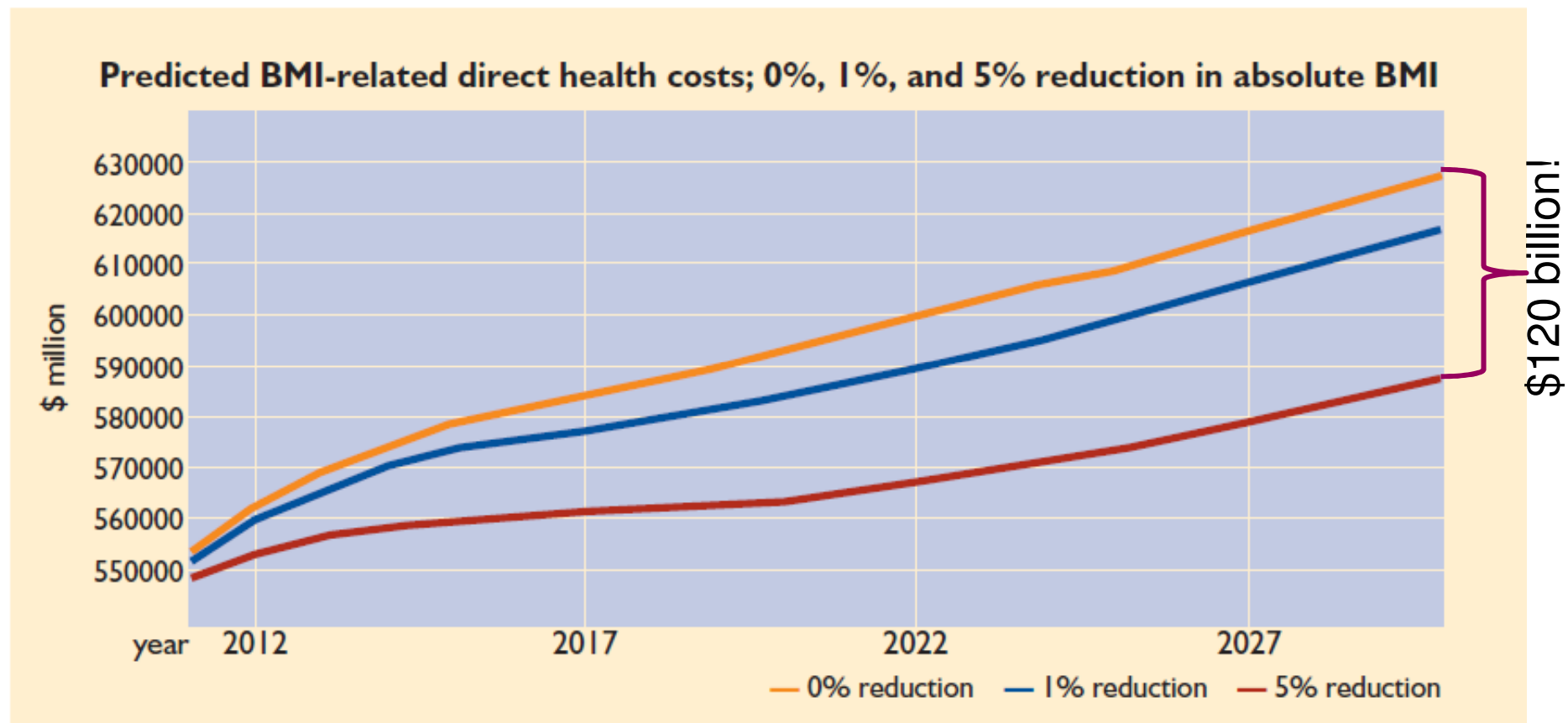
The Obesity Epidemic

**2030: Adult
Obesity Rates
if the Current
Trajectory
Continues**



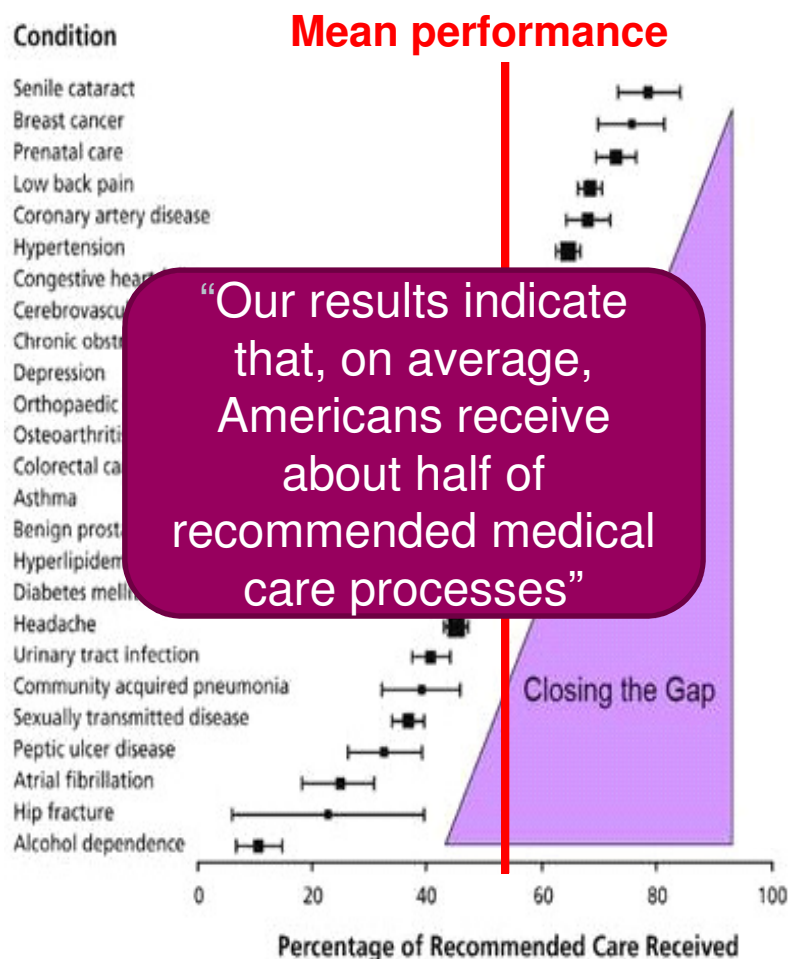






The Care We Get...

"Flip of the Coin" Health Care Quality, 6-6-03



THE NEW ENGLAND JOURNAL OF MEDICINE

SPECIAL ARTICLE

The Quality of Health Care Delivered to Adults in the United States

Elizabeth A. McGlynn, Ph.D., Steven M. Asch, M.D., M.P.H., John Adams, Ph.D., Joan Keesey, B.A., Jennifer Hicks, M.P.H., Ph.D., Alison DeCristofaro, M.P.H., and Eve A. Kerr, M.D., M.P.H.

ABSTRACT

BACKGROUND

We have little systematic information about the extent to which standard processes involved in health care—a key element of quality—are delivered in the United States.

METHODS

We telephoned a random sample of adults living in 12 metropolitan areas in the United States and asked them about selected health care experiences. We also received written consent to copy their medical records for the most recent two-year period and used this information to evaluate performance on 439 indicators of quality of care for 30 acute and chronic conditions as well as preventive care. We then constructed aggregate scores.

RESULTS

Participants received 54.9 percent (95 percent confidence interval, 54.3 to 55.5) of recommended care. We found little difference among the proportion of recommended preventive care provided (54.9 percent), the proportion of recommended acute care provided (53.5 percent), and the proportion of recommended care provided for chronic conditions (56.1 percent). Among different medical functions, adherence to the processes involved in care ranged from 52.2 percent for screening to 58.5 percent for follow-up care. Quality varied substantially according to the particular medical condition, ranging from 78.7 percent of recommended care (95 percent confidence interval, 73.3 to 84.2) for senile cataract to 10.5 percent of recommended care (95 percent confidence interval, 6.8 to 14.6) for alcohol dependence.

CONCLUSIONS

The deficits we have identified in adherence to recommended processes for basic care pose serious threats to the health of the American public. Strategies to reduce these deficits in care are warranted.

From RAND, Santa Monica, Calif. (E.A.M., S.M.A., J.A., J.K., J.H., A.D.); the Veterans Affairs (VA) Greater Los Angeles Health Care System, Los Angeles (S.M.A.); the Department of Medicine, University of California Los Angeles, Los Angeles (S.M.A.); the VA Center for Practice Management and Outcomes Research, VA Ann Arbor Health Care System, Ann Arbor, Mich. (E.A.K.); and the Department of Medicine, University of Michigan, Ann Arbor (E.A.K.). Address reprint requests to Dr. McGlynn at RAND, 1700 Main St., P.O. Box 2138, Santa Monica, CA 90407, or at beth_mcglynn@rand.org.

N Engl J Med 2003;348:2635-45.
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The Care We Shouldn't Get...

JAMA, 7-6-11

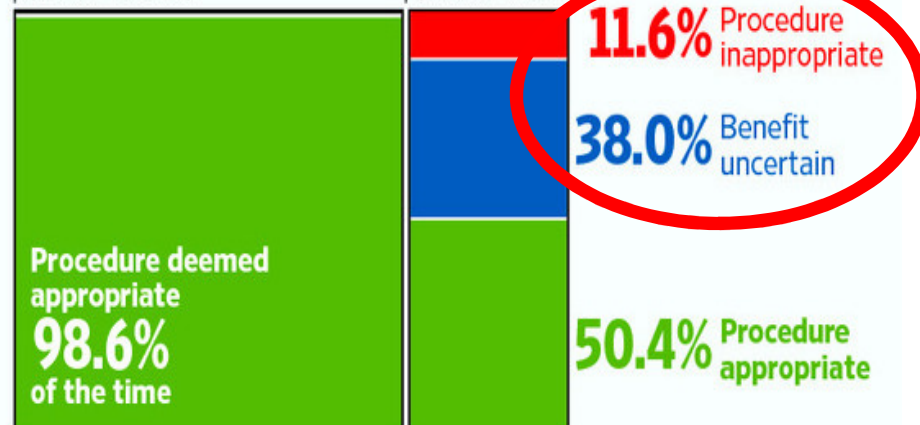
Heart of the Matter

How angioplasty procedures in the U.S. rated, according to appropriateness guidelines, based on 500,000 cases:

IN PATIENTS WITH...

...HEART ATTACK OR HIGH-RISK
UNSTABLE CHEST PAIN
(71% OF CASES)

...NON-ACUTE
HEART DISEASE
(29% OF CASES)



Source: Journal of the American Medical Association

ORIGINAL CONTRIBUTION

Appropriateness of Percutaneous Coronary Intervention

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Context Despite the widespread use of percutaneous coronary intervention (PCI), the appropriateness of these procedures in contemporary practice is unknown.

Objective To assess the appropriateness of PCI in the United States.

Design, Setting, and Patients Multicenter, prospective study of patients within the National Cardiovascular Data Registry undergoing PCI between July 1, 2009, and September 30, 2010, at 1091 US hospitals. The appropriateness of PCI was adjudicated using the appropriate use criteria for coronary revascularization. Results were stratified by whether the procedure was performed for an acute (ST-segment elevation myocardial infarction, non-ST-segment elevation myocardial infarction, or unstable angina with high-risk features) or nonacute indication.

Main Outcome Measures Proportion of acute and nonacute PCIs classified as appropriate, uncertain, or inappropriate; extent of hospital-level variation in inappropriate procedures.

Results Of 500 154 PCIs, 355 417 (71.1%) were for acute indications (ST-segment elevation myocardial infarction, 103 245 [20.6%]; non-ST-segment elevation myocardial infarction, 105 708 [21.1%]; high-risk unstable angina, 146 464 [29.3%]), and 144 737 (28.9%) for nonacute indications. For acute indications, 350 469 PCIs (98.6%) were classified as appropriate, 1055 (0.3%) as uncertain, and 3893 (1.1%) as inappropriate. For nonacute indications, 72 911 PCIs (50.4%) were classified as appropriate, 54 988 (38.0%) as uncertain, and 16 838 (11.6%) as inappropriate. The majority of inappropriate PCIs for nonacute indications were performed in patients with no angina (53.8%), low-risk ischemia on noninvasive stress testing (71.6%), or suboptimal (≤ 1 medication) antithrombotic therapy (95.8%). Furthermore, although variation in the proportion of inappropriate PCI across hospitals was minimal for acute procedures, there was substantial hospital variation for nonacute procedures (median hospital rate for inappropriate PCI, 10.8%; interquartile range, 6.0%-16.7%).

Conclusions In this large contemporary US cohort, nearly all acute PCIs were classified as appropriate. For nonacute indications, however, 12% were classified as inappropriate, with substantial variation across hospitals.

JAMA. 2011;306(1):53-61

www.jama.com

APPROXIMATELY 600 000 percutaneous coronary interventions (PCIs) are performed in the United States each year,¹ at a cost that exceeds \$12 billion.² Patients who undergo PCI are exposed to risks of periprocedural complications and longer-term bleeding and stent thrombosis. Moreover, recent trials in stable patients without acute coronary syndromes have shown that PCI, compared with medical therapy, may provide only a modest population-average improvement in symptom relief.³ Given the cost and invasiveness of PCI, determining the extent to which PCI procedures are performed for appropriate and inappropriate indications could identify procedural overuse and areas for quality improvement and cost savings. However, a lack of national standards for defining appropriate PCI use has hampered previous efforts to identify opportunities for improved patient selection. Furthermore, the few exist-

ing studies⁴⁻⁶ were conducted before many of the current advances in PCI and more contemporary clinical trials on coronary revascularization.³

Recently, appropriate use criteria for coronary revascularization were jointly developed by 6 professional organizations to support the rational and judicious use of PCI.⁷ The inclusion of the appropriate use criteria in

the most recent update to the prospective National Cardiovascular Data Registry (NCDR) CathPCI Registry data collection forms provides a unique opportunity to evaluate the

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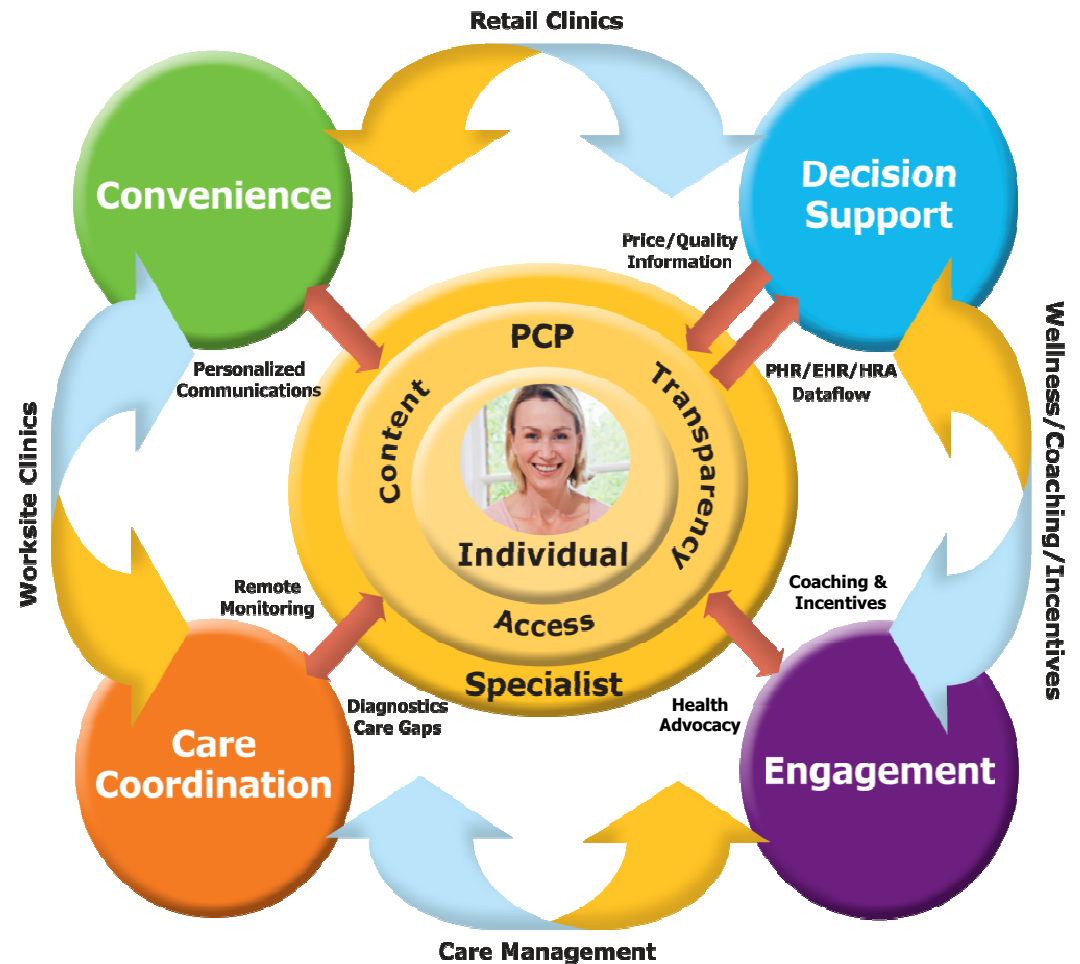
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JAMA, July 6, 2011—Vol 306, No. 1 53

The Care We Want...

Organized Around a Person-Centric Health Ecosystem

- **Aligns** care services/providers by being person-centered
- **Defragments** health silos
- **Personalizes** health decision support for each individual
- **Links**
 - Sites of care, all care over time
 - Integrated care plans via PHRs
- **Delivers**
 - Ease of use, clear navigation
 - Effective information, motivation, health skills support
 - Shared accountability between delivery system and patients
- **Provides**
 - High value, sustainable system to optimize individual / societal health



“We can't sustain a system that rewards how much is done to patients instead of how much is accomplished for patients.

The Affordable Care Act will help us pay for quality and outcomes, not volume, with innovative tools such as bundled payments, incentives for hospitals that prevent readmissions, and accountable care organizations in which health-care providers who work in teams deliver better care with lower costs.”

*Donald M. Berwick
CMS Administrator
September 3, 2010
Op-Ed in The Washington Post*

Questions?
Thank You!



Today is the youngest you'll be for the rest of your life. Act like it.