

4 Key Priorities for ACO Success

People, Process, Technology and Financials



Agenda

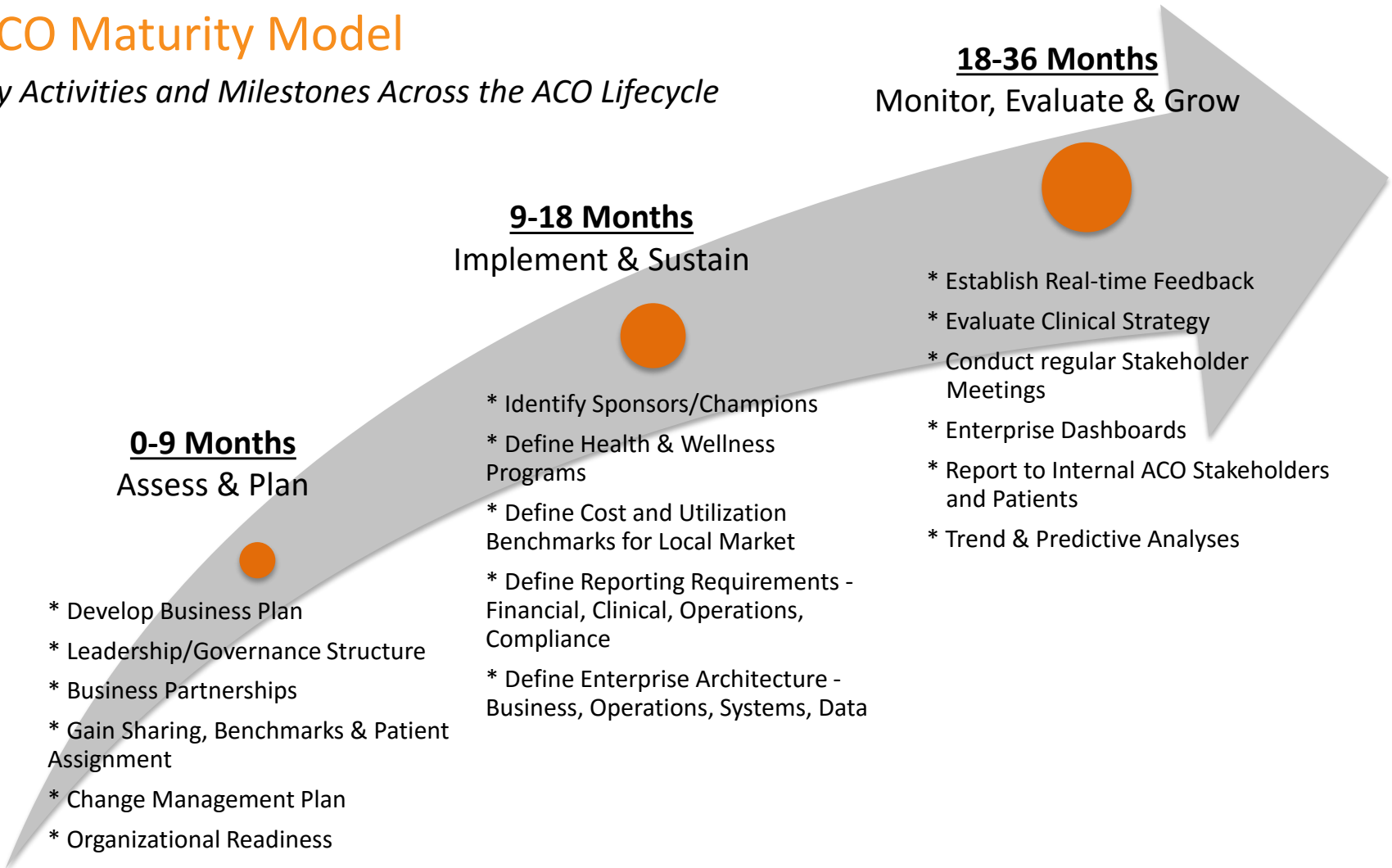
- ACO Model Options
- Key Considerations for ACO Success
- ACO Maturity Model
- Integrated Care System
- Examples Contributing to ACO Success:
 - People
 - Process
 - Technology
 - Financials
- Questions?

ACO Model Options

- Physician Group Structure (IPAs, PHOs, etc.)
- Physician – Hospital Network (Independent and Employed)
- Physician – Hospital Network (Employed Only)
- Academic Medical Center Network
- Fully Integrated Delivery System– Physician / Hospital / Payer
- Health Plan / Physician
- Health Plan / Hospital
- Employer Group/Hospital

ACO Maturity Model

Key Activities and Milestones Across the ACO Lifecycle



0-9 Months
Assess & Plan

- * Develop Business Plan
- * Leadership/Governance Structure
- * Business Partnerships
- * Gain Sharing, Benchmarks & Patient Assignment
- * Change Management Plan
- * Organizational Readiness

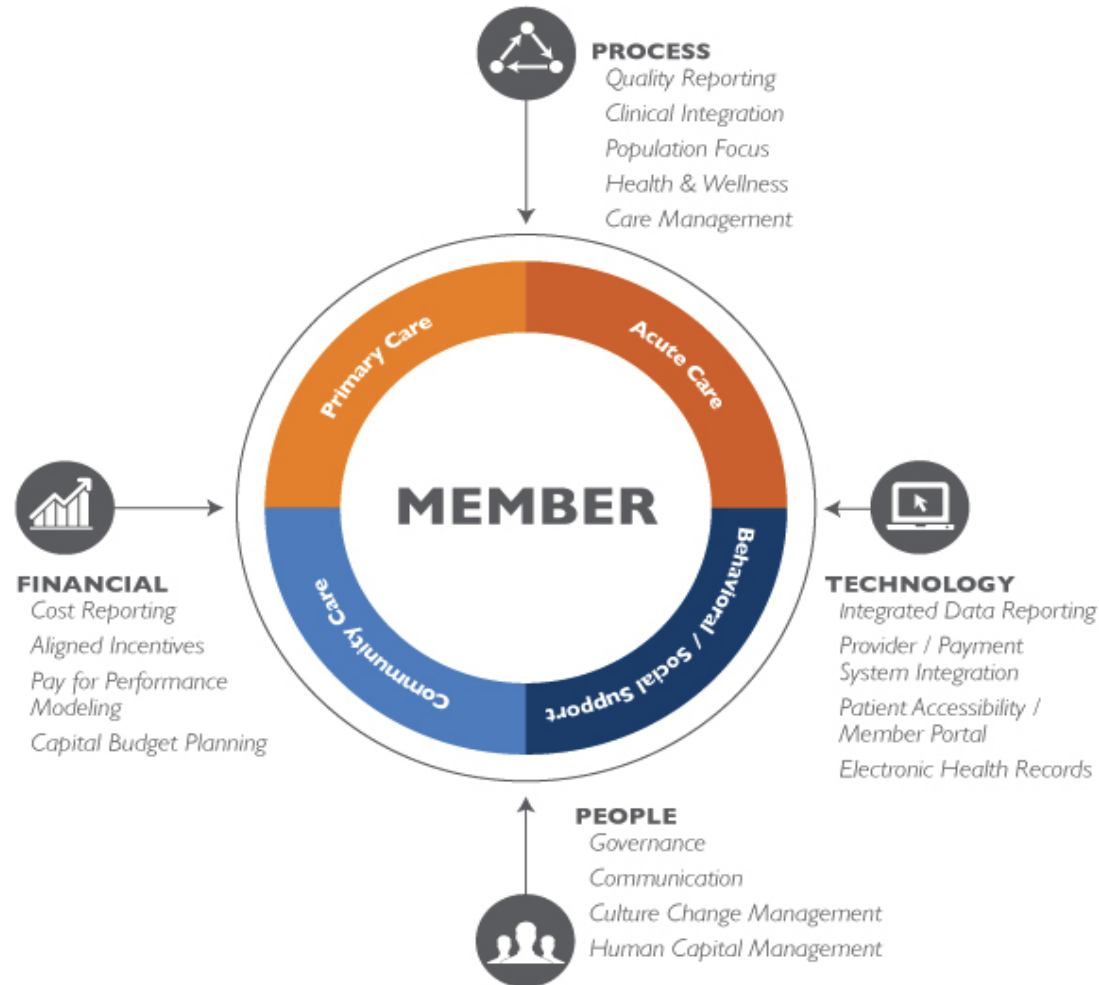
9-18 Months
Implement & Sustain

- * Identify Sponsors/Champions
- * Define Health & Wellness Programs
- * Define Cost and Utilization Benchmarks for Local Market
- * Define Reporting Requirements - Financial, Clinical, Operations, Compliance
- * Define Enterprise Architecture - Business, Operations, Systems, Data

18-36 Months
Monitor, Evaluate & Grow

- * Establish Real-time Feedback
- * Evaluate Clinical Strategy
- * Conduct regular Stakeholder Meetings
- * Enterprise Dashboards
- * Report to Internal ACO Stakeholders and Patients
- * Trend & Predictive Analyses

Integrated Care System



Examples Contributing to ACO Success - People

People
<ul style="list-style-type: none"> • Culture/Change Management
<ul style="list-style-type: none"> • Communication Plan
<ul style="list-style-type: none"> • Organizational/Governance Structure
<ul style="list-style-type: none"> • Human Capital Management
<ul style="list-style-type: none"> • Recruitment, Training & Development
<ul style="list-style-type: none"> • Physician Incentive Plan
<ul style="list-style-type: none"> • Performance Monitoring
<ul style="list-style-type: none"> • Catastrophic Patient Management
<ul style="list-style-type: none"> • Communication and Branding Strategy
<ul style="list-style-type: none"> • Patient Engagement



Governance Model and Infrastructure

- Develop appropriate governance and legal structure
- Establish ACO Steering Committee that provides oversight and direction, develops policies, and manages implementation
- Ensure all provider groups in the ACO are represented in leadership/executive committee with shared accountability

Physician Engagement/Payment

- Implement single, consistent physician and contracting strategy across system with appropriate incentive plans
- Engage physicians to change practice patterns (practice in teams, implement EHRs, etc.)

Culture/Change Management

- Ensure organization's culture supports physician alignment and leadership

Communication & Branding Strategy

- Develop a brand strategy and communication plan for both the implementation and ongoing operations of the ACO.

Patient Engagement

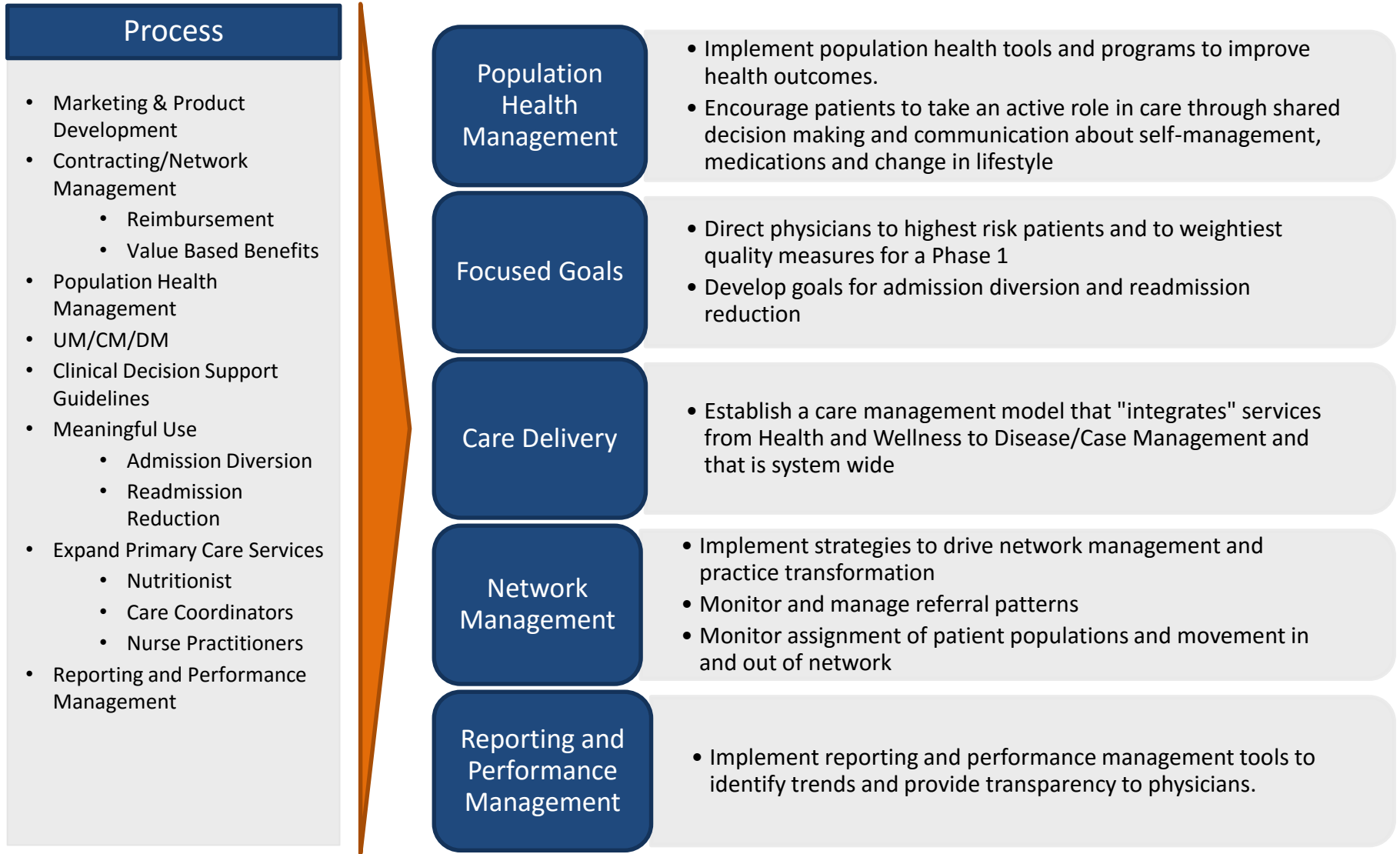
- Integrate patient feedback into organizational goals and decision-making.

Example Infrastructure Model

What infrastructure needs to exist to help the ACO mature and drive growth initiatives? How can a PMO or PMO-like team support strategic projects and provide additional value to physician members of the ACO.



Examples Contributing to ACO Success - Process



Example – Population Health Programs

Examples (Tools):

- Mobile applications that provide ongoing health and wellness reminders
- Health assessment, screening programs
- Web portals
- Telephone or online coaching sessions/modules
- Symptom checker/health checkers
- Automated/Web-based appointment scheduling

Examples:

- Tele-Monitoring Programs
- Improved Discharge Planning
- Case Management
- Embedded Care Coordination/Care Transitions
- Home Visiting Programs



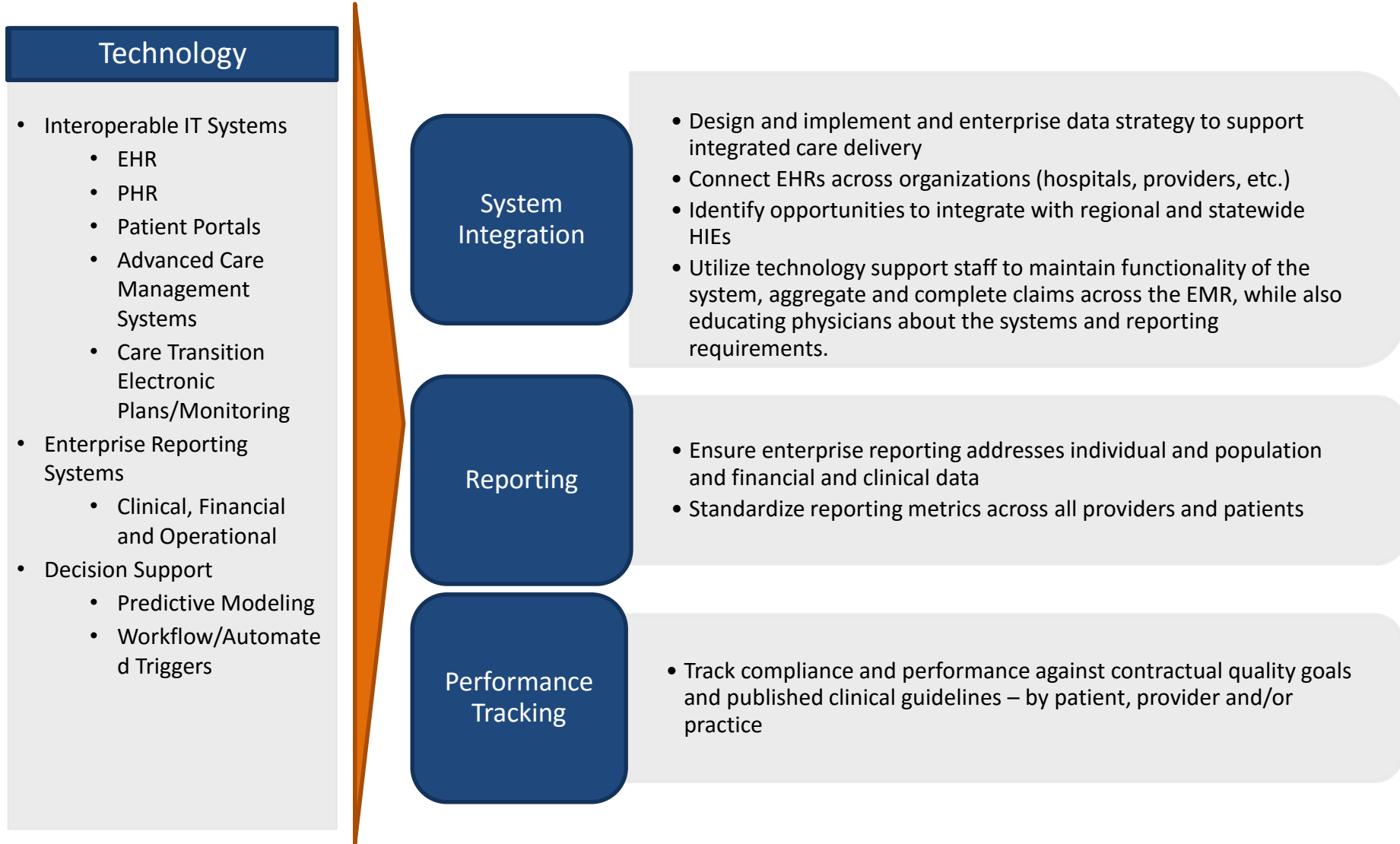
Examples:

- Proactively manage chronic illness to prevent low-margin inpatient utilization
- High-touch follow up during transitions of care, home visiting programs, etc.

Examples:

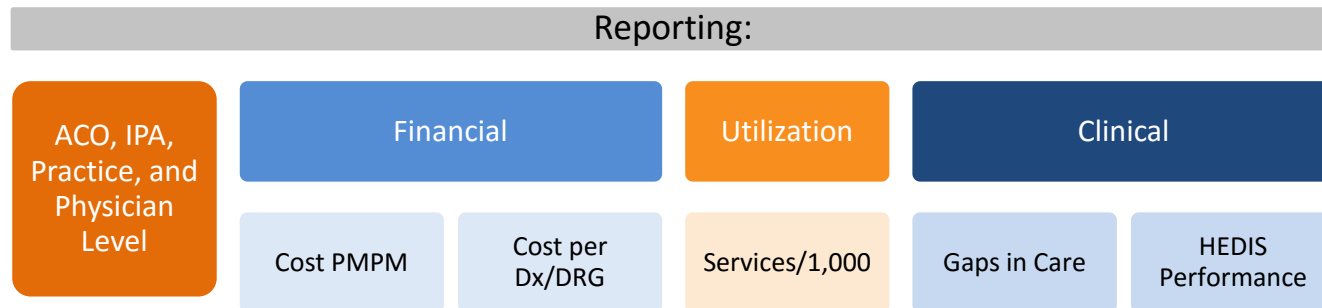
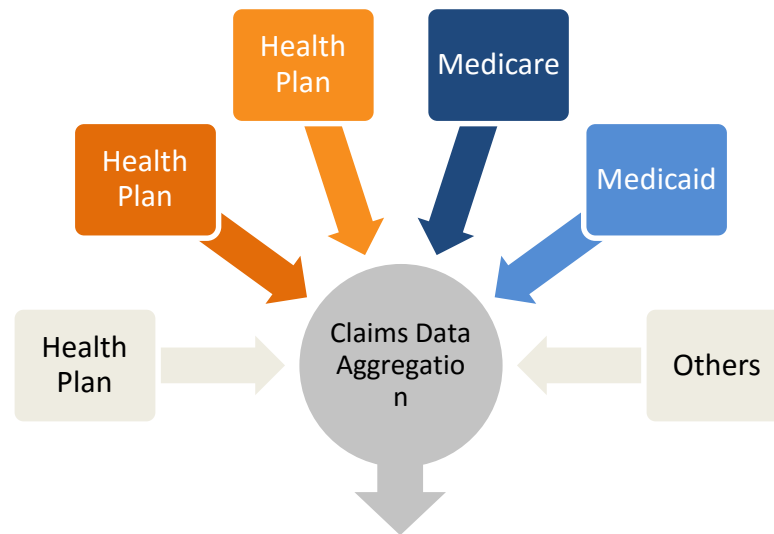
- Community Based Public Health Programs
- Education programs for patient and family members
- On-line push programs

Examples Contributing to ACO Success - Technology



Example – Claims Data Analysis Tools

Enterprise wide technology solutions are difficult to develop and implement in a short amount of time, but organizations should evaluate using what data they have in the short-term.



Examples Contributing to ACO Success - Financial

Financial
<ul style="list-style-type: none"> • Business Plan • Cost Reporting • Actuary • Gains Sharing/Revenue Model • Capital Budget Planning • Pay-for-Performance Modeling • Competitive Cost Benchmarking



Financial and Capacity Planning

- Develop business plan that includes initial investment requirements for implementation as well as ongoing operations
- Ensure financial model offers returns required to support investment and ensure financial goals
- Understand how market and population impact utilization and capacity to help define financial forecasts around resources, capital and costs

Pay for Performance

- Monitor populations directly against contracts, to maximize revenue and savings by closing gaps in care

Total Medical Expenditures

- Understand total medical expenditure and cost drivers across the population of patients; particularly high-risk/high cost patients
- Move some care to lower cost sites of service (e.g., ambulatory clinics versus hospitals)
- Streamline costs through adherence to standards

Physician Incentive Model

- Ensure incentive model accounts for geographic variability and demographic risk
- Ensure model is based on meeting cost targets, quality targets and efficiencies

Questions?

Washington, DC | Brussels | London | Los Angeles | New York | Zurich

Optimicity Advisors

1600 K Street NW, Suite 202

Washington, DC 20006

www.OptimicityAdvisors.com

