Core Competencies of High-Performing Accountable Care Organizations (ACOs)

Green Mountain Care Board

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bailit health

Agenda

1. About Bailit Health
2. ACOs in Vermont
3. Characteristics of High Performing ACOs
4. ACO Core Competencies
5. Considerations for Vermont
6. Discussion and Public Comment

About Bailit Health

- Bailit Health is a Massachusetts-based health policy consulting firm that focuses on helping states maximize health system performance.
- We have supported more than 40 states since our inception.
- Our work in Vermont began in 1997.
  - We first designed and helped implement health plan regulatory oversight for the former Banking, Insurance, Securities and Health Care Administration (BISHCA).
  - Between 2014 and 2017 we assisted the GMCB with the design and implementation of its ACO pilot.
  - Beginning in 2017, we assisted the GMCB with the design and implementation of an ACO regulatory strategy.

ACOs in Vermont

ACOs in Vermont

- Vermont's ACO market looks like that of no other state.
- It is for this reason that the GMCB and the public afford the market special scrutiny, and that the GMCB applies its regulatory authority in the way that it does.
- Yet, the core competencies that an ACO needs to be successful in Vermont don't differ from what they are in any other state.
- On the next slide we will review the distinctive characteristics of OneCare Vermont, before reviewing core competencies that ACOs in Vermont (and the other 49 states) should possess.

Distinguishing Characteristics of OneCare Vermont

- OneCare Vermont is *quite* different than most ACOs in the U.S.
  - covers a significant percentage of the state's population
  - has a statewide network of providers, comprised of a large hospital system by also many independent hospitals and other providers
  - serves a largely rural service area
  - operates a decentralized care management model
  - participates in a state-based primary care initiative
  - partners with many non-medical providers
  - has attempted to employ global budget arrangements with participating hospitals
  - is actively regulated by the state
  - is subject to a great deal of public scrutiny

Characteristics of High Performing ACOs

Facilitating Factors of Successful Performance

- ACOs to date are achieving savings by:
  - Moving care from higher-cost to lower-cost sites (e.g., away from hospitals and SNFs)
  - Reducing discretionary testing, imaging and procedures

  Savings have *not* primarily come from management of high-risk patients

- Ownership influences strategy and savings

Sponsoring Entity	Number of ACOs	Example of Cost Saving Strategy
Physician-led	425 (43%)	Reduction in hospital utilization
Hospital-led	274 (28%)	Reduction in post-acute care costs
Joint hospital / physician	294 (30%)	Coordinated (and conflicting) efforts to achieve savings
Total Q3 2019	**993**	

Source: “Spread of ACOs And Value-Based Payment Models In 2019: Gauging the Impact of Pathways to Success," *Health Affairs Blog*, October 21, 2019. DOI: 10.1377/hblog20191020.962600

High-Performing ACOs: Structural Characteristics

- Physician-led
- Smaller in size
- Engaged leadership
- Experience managing under risk
- Committed to continuous quality improvement
  - testing new approaches and using rapid-cycle improvement

High-Performing ACOs: Operational Characteristics and Investments

- Significant cultural, clinical and operational changes are required for provider organizations to position themselves to successfully manage health care costs and quality.
- High-performing ACOs
  - Identified opportunities for improvement by comparing performing to benchmarks; provider-level transparency
  - Created organizational subgroups with assigned clinical leadership and measurement
  - Standardized clinical protocols for common disease states and promotion of patient self-management
  - Made significant investments
    - Average $600,000 on operating expenses for health IT, analytics, and reporting
    - Average investment of $1.1 million on care management

ACO Core Competencies

Core Competencies

- At GMCB request, Bailit Health has identified a set of ACO *core competencies*, representing structural and operational characteristics of high-performing provider organizations that are successfully managing population health.
- The core competencies are organized into five primary areas:
  1. Governance and Management
  2. Provider Engagement and Network Management
  3. Engaging Patients
  4. Population Health Management
  5. Managing with Data
- Each area contains subcomponents that further define and describe the competencies.

Methodology

- Bailit Health conducted the following work to inform this analysis:
  1. **Literature review** to identify and synthesize best practices and lessons learned from ACOs across the country that have succeeded in managing cost and quality of care for their patient populations.
  2. Consultation with **subject matter experts**, including
     - a physician who previously served as a Chief Medical Officer and Chief Information Officer for a safety net ACO in Massachusetts and now directs the population health program for a large ACO in Massachusetts
     - a former Chief Executive Officer of an ACO and a physician
     - the director of Minnesota Medicaid's ACO program
  3. Drew upon **prior experience** evaluating Medicaid ACO programs for MACPAC and RWJF.

1. Governance and Management

- Leadership is committed to and fosters a high-value culture that is focused on improving the quality of care provided and efficiently managing costs.
- Governance and management include the following components
  - Responsibilities and actions of the governing body, such as driving the organization's pursuit of high performance and ensuring implementation of strategic priorities
  - A clear organizational vision, mission statement, and strategic plan support a high-performing care delivery system and value-based care
  - Experience, composition, and duties of the executive management team
  - A communications strategy that supports transparency and ongoing communication within the organization and across the provider network
  - Financial risk assessment and mitigation

2. Provider Engagement and Network Management

- A culture of high-performance in health care delivery extends to all levels of the organization.
- Provider engagement and network management include the following components
  - Development of a provider network, including establishing relationships and partnerships across the care continuum, and holding the network financially accountable for performance
  - Organization and management of local / regional teams with regionally-based/driven clinical leadership, resource allocation, clinical change management, financial rewards, and assessment of needs
  - Identification and communication within the network of high-performing preferred providers for referrals
  - Implementation of and support to providers to transition to value-based payment models for hospitals, primary care, specialty medical care and behavioral health care

3. Engaging Patients

- Improving patient outcomes, quality of care and cost management are demonstrated values throughout the organization
- Engaging patients includes the following components
  - Robust consumer participation in governance and other bodies
  - Patient experience monitoring informs quality improvement plans
  - Culturally-sensitive outreach programs, mobile alerts, and other efforts are implemented to engage patients, identify gaps in care, and support consumer education
  - Network providers are supported to actively involve patients, families, and caregivers to improve and achieve their optimal health and wellness goals

4. Population Health Management

- "Managing the health of a defined population across the continuum of care requires a **complete paradigm shift** for most providers, as well as the development of new systems and processes. While challenging to learn and implement, population health management is the cornerstone of all accountable care success." *(Health Care Transformation Task Force, Levers of Successful ACOs)*

- ACOs need to
  - understand their patient population
  - actively manage patient care based on data
  - improve clinical pathways, and
  - engage the entire care continuum

4. Population Health Management *(cont'd)*

- Population health management represents the most robust of the competencies ACOs and include the following components
  - A population health strategy that comprises
    - Robust primary care practices delivering advanced primary care
    - Identification of individuals with complex care or higher intensity service needs
    - Integration of behavioral health and non-medical social services
    - Management of inpatient and emergency department utilization and transitions of care
    - Coordination with post-acute care providers
    - Assessment of patient safety
  - Population risk stratification, including evaluating and refining risk assessment over time
  - Centrally-structured and locally-embedded care management with clear lines of communication and accountability and adoption of a unified care management technology platform

4. Population Health Management *(cont'd)*

- *Population health management components (cont'd)*
  - Support for practice teams to transform the way care is delivered
  - Evidence-based guidelines inform standardized protocols that are embedded in provider electronic health record platforms with notification and monitoring of adherence to protocols
  - Referral practices to community-based services are established
  - Systematic evaluation of opportunities to reduce low-value, avoidable and unsafe care informs changes to care delivery

5. Managing with Data

- Successful health care groups use appropriate technology and process improvement techniques to evaluate their progress on a regular basis, and make changes where needed.
- Performance improvement includes activities specifically directed to both cost and quality outcomes.
- Components of managing with data include the following
  - Using data at the population level, including defining a routine and robust process for monitoring measures of cost, utilization, quality, and health disparities at the ACO, regional, and practice levels with clear accountability for performance
  - Using data at the patient level through alignment of the organization's health information technology (HIT) strategy with value-based care delivery
  - Continuous performance improvements are guided by the organization's clinical quality improvement team and include rapid-cycle improvement strategies

Considerations for Vermont

Considerations and Opportunities for Vermont

- VT has made a bigger commitment to an ACO strategy than most other states. It therefore has a regulatory structure that is appropriately more developed than those in other states.
  - DVHA's commitment to an ACO strategy has also created a Medicaid agency focus on ACO contract management.
- The adoption and application of ACO core competencies can enhance GMCB (and DVHA) efforts to maximize the value of the All-Payer ACO Model.
- We offer two recommendations for how to do so.

Considerations and Opportunities for Vermont

1. Adopt and apply a set of ACO core competencies that focus on the non-financial functions of an ACO in order to:
   - evaluate ACOs operating in Vermont to determine opportunities for improving performance;
   - inform regulatory and purchasing actions to drive improved performance in areas critical for ACO success, and
   - assess the value of ACOs to Vermonters.

1. Engage subject matter experts with direct operational experience leading and managing high-performing ACOs to supplement GMCB staff, providing technical expertise and support in assessing ACO performance relative to a set of core competencies.

Discussion and Public Comment