Ethical Issues in Accountable Care Organizations

As Health Care Delivery Evolves

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CEO and Chair of ACA
December 6th, 2013

ACA & QHI Introduction

• **Accountable Care Associates, LLC (ACA):**
  • Founded in 2010, it is physician owned and operated, and a provider MCO to support and partner with physicians and hospitals in managed healthcare delivery.
  • Philip Gaziano, M.D. is Chairman and CEO, and he helped develop some of ACA's services from 1998 to 2010 in Hampden County Physicians Associates, a Massachusetts based multi-specialty physician practice now served by ACA.
  • ACA Provides: Contracting, Consulting, Care Coordination, Reinsurance, Coding, Clinical Rounding, Provider Educational, Chart Auditing, Risk Adjustment, Compliance, Quality Measures Management, Custom Work Flow Design, and Other Provider MSO Services for Managed Healthcare Delivery.

• **Quality Health Ideas, LLC (QHI):**
  • Founded in 2003, it is an IT and Data Management Company, that is physician owned and operated by Philip Gaziano, M.D. and Felicitas Thurnayr, M.D. Ph.D.
  • QHI Builds and Provides: Data Management, Quality Registry, Decision Support, EMR/EHR Integration, HIE Integration, and Web Integration Tools and Services.
Global Delivery (ACO Type) Delivery Systems

- Medicare Advantage (Including SNP)
- Medicare ACOs (Pioneer & Shared Savings)
- Managed Medicaid
- Dual Eligible (Medicare + Medicaid: SCO, PACE...)
- Commercial Plans (HMO & PPO)(AQC, GIC,...)
- State ACOs, Exchanges, Coops, and Pilots
- Captives, Employer Direct, & Self Insured

Global Delivery (ACO) Partners:

- Physicians
- Hospitals and Their Systems
- Federal & States Governments
- Coops, Exchanges, Other ACOs
- Employers
- Health Plans
Physician Concerns

- Are these ACO… like the old HMOs
- How are things Changing?
- What is in the future?
- What are our options?

Old HMOs vs. New ACOs:

<table>
<thead>
<tr>
<th></th>
<th>HMO (80s and 90s)</th>
<th>ACOs (&amp; ACO Type)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designed to Save Money:</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>PCP is gatekeeper:</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Network is key:</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Managed by MCOs/Payers:</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Managed by provider groups:</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Financial quality incentives:</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Services delegated to providers</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Detailed Data to providers:</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Small is OK:</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
Physician Opportunities With New Systems

- New payments (QVUs & management)
- Manage a budget (& share saving)
- Keeping control
- Help fix health care delivery for all

MA Budget Outcomes:

<table>
<thead>
<tr>
<th>Medicare Members Ranked by % of &amp; Total Annual Expenses</th>
<th>$ Million Used For 6,000 Members</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not Managed</td>
</tr>
<tr>
<td>Top 3%</td>
<td>30.0</td>
</tr>
<tr>
<td>Next 17%</td>
<td>18.0</td>
</tr>
<tr>
<td>Next 30%</td>
<td>6.0</td>
</tr>
<tr>
<td>Lower 50%</td>
<td>6.0</td>
</tr>
<tr>
<td>Total:</td>
<td>60.0</td>
</tr>
</tbody>
</table>
Our BCBS-MA AQC

1. Full Global Risk (Up & down)
2. Wide Hospital Network
3. Wide Specialist Network
4. No Required Referrals
5. An HMO that is Like… a PPO
6. Or Like an… ACOs

AQC Quality & Budget Outcomes:

Quality and Savings Improvements Were Both Proportional to QVU Activities
Our Quality Improvements
(Medicare and Commercial)

• All measures improved
• All practitioners improved
• Members noticed and satisfaction ↑
• The plans and employers noticed

Our ACO Networks
& Our Provider Diversity

In 8 States (soon to be 10 to 11) We are Serving:
1,500 PCPs & over 40,000 Network Specialists
Connected to 44 Hospitals (18 Hospitals = Partners)
50% of PCPs are in practice groups of 1, 2, or 3
20% of PCPs are still use paper charts
37 different PCP EMRs – that do not share data
Hospitals have different EHRs, not connected to PCPs

Integrated by Our Contracts & Tools
Our Medicare SSP-ACOs

1. Made up of Many Independent Practices
2. Centralized Data and Compliance Helps
3. Local Clinical Control
4. Proven Care & Quality Coordination
5. Provider Education, Audits, & Feedback
6. No Initial Costs For Local Group
7. Free Data Tools + Clinical Support
8. New QVU Payment system available

Payment Considerations
Fee For Service (RVU Based) Payments

= Volume Payments

- Do not account for quality differences
- Do not reward prevention
- Do not reward efficiency (savings)
- Do not reward Care Coordination
- May Reward adverse effects and bad outcomes

Capitation Payment Considerations

- May account for quality differences
- Rewards prevention better
- May reward efficiency (savings)
- May reward Care Coordination
- May change who sees the beneficiary
- May be interoperated as an entitlement
Global Payment Considerations

- Accounts for and rewards quality
- Rewards prevention best
  (and promotes wellness)
- Rewards efficiency (and gives savings)
- Rewards Care Coordination
- Produces the greatest innovation
- The way of the future

QVUs
(Better than RVUs for Global Systems)

QVUs = Quality Value Units

- Designed by ACA & QHI for Provider Payments
- Tracked and Reported Real Time
- Attributed QVUs Have Predictive Value
- Provide Quality Tracking
- Provide Budget Tracking
Discussion & Contact Information

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