MMS Presentation: Toward a Shared Vision of Payment Reform

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MACIPA and Mount Auburn Hospital

- Managed care partners since 1985
- Long history of investment in systems and programs to manage costs
- Teaching level hospital care without the costs of a major academic medical center
- Systems established to prevent leakage to costlier hospital care
- Active and engaged leadership at hospital and IPA willing to partner with payers to achieve mutual goals
## MACIPA Membership Practice Statistics

<table>
<thead>
<tr>
<th>Practices</th>
<th>Physicians</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAPS (Hospital owned)</td>
<td>161</td>
</tr>
<tr>
<td>Private Practices</td>
<td>247</td>
</tr>
<tr>
<td>Cambridge Health Alliance</td>
<td>105</td>
</tr>
<tr>
<td>PCPs</td>
<td>94</td>
</tr>
<tr>
<td>Specialists</td>
<td>402</td>
</tr>
<tr>
<td>PCP/Specialist</td>
<td>17</td>
</tr>
</tbody>
</table>

**Total number of office sites:** 180

## MACIPA Structure

- Board Committees involve over 50 physicians
- Primary Care Centric-touching every PCP monthly through Pod system
- Focus on education and quality
- Data driven
- Physician leaders all practice medicine at least 50% of time
MACIPA Infrastructure

- Case Management
- Medical Management
- Referral Management
- Pharmacy Management
- Data and Reporting
- Contracting
- Quality Improvement
- EHR Department
- IT Department

Background: Mount Auburn Hospital

- A community/tertiary care facility with 203 licensed beds and 29 bassinets
- Licensed beds include:
  - 20 Obstetrics
  - 167 Med/Surg
  - 16 Psych
- Provides comprehensive inpatient, outpatient and specialty services at main campus and 25 off-site locations
Contracting Model

- Development of budget based on prior years experience and expected trends
- Determine carve-outs, if any, e.g., out of area services
- Pay hospital and providers fee for service
- Annual reconciliation and settlement
- Services rendered by other providers paid at their contracted rates

Keys to Success

- Leadership believes that managed care is better care
- IPA brings value to physicians and improves care for patients
- Hospital believes in and supports the model
Keys to Success

Mount Auburn Hospital and MACIPA work together

- Risk Partners
- Focus on PCPs and Quality
- Win/Win relationship

Keys to Success

IPA Success

- Education first, followed by rewards for doing the right things—penalties are last resort
- Strive for consensus and collaboration
- Focus on quality → efficiencies follow
- Data driven
- Physicians see the results of their efforts, e.g., pharmacy management program
Challenges to Developing ACOs

- Culture changes for physicians and administrators take time to develop
- Managing “leakage” delivered outside the system
- Patient & Physician acceptance of the team approach
- Getting to “yes” on a contract with the payor, the hospital and the physicians all feeling positive!

Considerations

- Reinsurance
- Risk Reserves
- Specialty /PCP caps
- Splitting surplus and deficits
- Infrastructure is not cheap
- Compensation for hospitals and specialists if utilization is less