3 Steps Critical to ACO Success

Establish effective contracts, assure quality care, and mitigate future cost, clinical, and revenue risks.
Introductions

Denny Brennan
Executive Director, MHDC

Laura Kanov
Senior Vice President, Product Strategy, HBI Solutions

David Oliver
Client Strategist, HBI Solutions
About Us

MHDC has partnered with HBI Solutions to bring data science-as-a-service to organizations in Massachusetts and to provide the analytical foundation for our Collaborative Data Services.

Massachusetts Health Data Consortium

► MHDC is dedicated to active and effective collaboration among members of the Commonwealth’s health care community in their use of data, analysis, and information technology to achieve sustainable improvements in quality, cost, and effectiveness.
► Our services address the myriad innovations in hardware, applications, data science and analytics, healthcare delivery, finance, and public policy that will advance health care value in the Commonwealth for years to come.

HBI Solutions

► A leading provider of market intelligence and healthcare analytics, HBI Solutions uses advanced machine learning techniques on client-specific data to produce the most accurate results for over a dozen predictive algorithms, including future costs, events and conditions.
► First year KLAS rating in 2018 at 91% with 0% attrition
► Proven technology is live on over 20mn+ US population with 20mn more coming on line in Q1’19
Growth in the National ACO Market

ACOs, Covered Lives & ACO Contracts

10% US Population under ACO

↑ Medicare ACOs

Commercial ACOs

↓ Medicaid ACOs

Source: Health Affairs / Leavitt Partners Survey *administered between May 25, 2017 and July 14, 2017
CMS Pushing Two-Sided Risk

New proposal limits time for upside only.

Existing: Tracks 1, 2, and 3
- Track 1: Upside risk only: 6 years (2 3-year blocks)
- Tracks 1+, 2 and 3: Various levels of downside risk

Proposed: Basic and Enhanced Tracks
- Basic Track: Upside risk only: 2 years
- Enhanced Track: Track 3 equivalent

82% MSSP currently participating are upside only.
71% Indicate they will leave rather than take the downside risk.


Accountable Care in Massachusetts

Experiencing growth in all segments and advanced payment models.

**Medicare**
- 7 Next Generation ACOs
- 15 Medicare Shared Savings Organizations

**Commercial**
- In 2015, 86% of BCBSMA HMO members were covered by APMs.
- 3 of 6 largest MA-based commercial payers covered 60% of HMO members in global-budget APMs as of 2015

**Medicaid**
- Approx. 1.2M MassHealth members enrolled in:
  - 13 new Accountable Care Partnership Plans
  - 3 new Primary Care ACOs
  - 2 MCOs
- All ACO models feature two-sided risk and hold ACOs accountable for performance on a slate of quality measures

Massachusetts differs from the rest of the country, seeing growth in advanced payment models across all patient segments.

ACO’s Struggle

- Resource intensive
- Failed shared savings
- Lack tools and confidence to take on more risk

3 Steps Critical to ACO Success

Step 1
Select the right contract for your organization

Step 2
Establish the appropriate data governance

Step 3
Mitigate the clinical and financial risk of the contract
How does my network perform on measures of cost, utilization and quality relative to others in the market?

**STEP 1: SELECT THE RIGHT CONTRACT FOR YOUR ORGANIZATION**
The Road to Risk

Compensation Continuum
(Level of Financial Risk)

Small % of financial risk
- Fee-for-service
- Performance-based
  Contracting
  • Physician
  • Hospital
  • Patient-centered
  Medical Home

Moderate % of financial risk
- Bundled and Episodic Payment
- Shared Savings
- Shared Risk

Large % of financial risk
- Capitation
- Capitation + Performance-based contracting

Limited Integration
- Performance-based Contracting
Moderate Integration
- Bundled and Episodic Payment
- Shared Savings
- Shared Risk
Full Integration
- Capitation
- Capitation + Performance-based contracting

Continuum of risk represents multiple value-based contracting options. UnitedHealthcare is working to deploy a variety of options with its network of providers based on their readiness to accommodate varying levels of risk.
Select the Right Contract: Know who’s involved

Know your market

Know your network and affiliated partners

Use Market Intelligence to clarify the analysis.
Operational Governance

- Strategy
- Experience
- Market
- Integration

- Population Health
- Care Management
- Quality
- Clinical Programs

- Patient Experience
- Access
- Payor Contracts
- Finance/Cost Structure

- Infrastructure
- Data Analytics
- Communications
- Coordination
Select the Right Contract: Set the right metrics

- Align your network assets to your tolerance for risk
- Choose the right population

Use Market Intelligence to clarify the analysis.
## ACO Types

### Medicare

<table>
<thead>
<tr>
<th>Agreement Period</th>
<th>Minimum Population Size</th>
<th>Downside Risk</th>
<th>Advanced AIMP Qualification</th>
<th>Sharing Rate</th>
<th>Shared Loss Rate</th>
<th>Min. Savings Rate (MSR) / Min. Loss Rate (MLR)</th>
<th>First Dollar Sharing?</th>
<th>Maximum Gain</th>
<th>Maximum Loss</th>
<th>payments</th>
<th>Attribution</th>
<th>Waivers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medicare Shared Savings Program TRACK 1</strong></td>
<td>Three years</td>
<td>5,000</td>
<td>No</td>
<td>No</td>
<td>Up to 60%</td>
<td>N/A</td>
<td>MSR 2.0%</td>
<td>Reimbursed savings</td>
<td>Yes, once MSR is met</td>
<td>Benchmark</td>
<td>N/A</td>
<td>FFSS</td>
</tr>
<tr>
<td><strong>Medicare Shared Savings Program TRACK 14</strong></td>
<td>Three years</td>
<td>5,000</td>
<td>Yes</td>
<td>Yes</td>
<td>Up to 60%</td>
<td>30%</td>
<td>Reimbursed savings</td>
<td>Yes, once MSR is met</td>
<td>Benchmark</td>
<td>N/A</td>
<td>FFSS</td>
<td>Prospective</td>
</tr>
<tr>
<td><strong>Medicare Shared Savings Program TRACK 2</strong></td>
<td>Three years</td>
<td>5,000</td>
<td>Yes</td>
<td>Yes</td>
<td>Up to 60%</td>
<td>30%</td>
<td>Reimbursed savings</td>
<td>Yes, once MSR is met</td>
<td>Benchmark</td>
<td>N/A</td>
<td>FFSS</td>
<td>Prospective</td>
</tr>
<tr>
<td><strong>Medicare Shared Savings Program TRACK 3</strong></td>
<td>Three years</td>
<td>5,000</td>
<td>Yes</td>
<td>Yes</td>
<td>Up to 60%</td>
<td>30%</td>
<td>Reimbursed savings</td>
<td>Yes, once MSR is met</td>
<td>Benchmark</td>
<td>N/A</td>
<td>FFSS</td>
<td>Prospective</td>
</tr>
<tr>
<td><strong>Next Generation ACO MODEL 2</strong></td>
<td>One to three years depending on timing of first year of participation, allowed for additional years</td>
<td>10,000 (1,000 for rural providers)</td>
<td>Yes</td>
<td>Yes</td>
<td>60% or 30%</td>
<td>30%</td>
<td>Reimbursed savings</td>
<td>Yes, benchmark</td>
<td>Benchmark</td>
<td>N/A</td>
<td>FFSS</td>
<td>Prospective</td>
</tr>
</tbody>
</table>

### Commercial

**Medicaid - MassHealth**
How does my organization set, implement and measure the care management priorities that will improve network performance?

**STEP 2: ESTABLISH APPROPRIATE DATA GOVERNANCE**
Collaborative data governance provides the vehicle to define what data are shared, how and for what purposes, and supports the evaluation of risk contract performance against common and shared measures of success.
How can my organization predict and mitigate the financial and clinical risk inherent in accountable care?

**STEP 3: MITIGATE THE CLINICAL AND FINANCIAL RISK OF THE CONTRACT**
Mitigate the Clinical and Financial Risk of the Contract

Predict and mitigate future cost and clinical risks
- Establish care management priorities for high efficiency
- Avert costly utilization, untoward events and outcomes

Optimize risk premium revenue and shared savings
- Assure appropriate risk adjustment factors for premium revenues and shared savings calculations

Measure and manage quality of care
- Calculate, measure and report quality metrics in near real-time
- Identify and close gaps in care
- Evaluate network components and target areas for improvement
Predict and Mitigate the Future Cost and Clinical Risks

Efficient Use of Resources
• Machine learning for predictive risk
• Recent admissions & discharges
• Complex & specialty care

Avert Costly Utilization
• Full clinical risk profile
• Transparent risk features and influence
• Embed in native workflow

The application of highly accurate predictive tools is an essential foundation to exposing and addressing the risk that threatens contract profitability.
Optimize Risk Premium Revenue and Shared Savings

Real-time tracking of HCC code gaps in concert with member risk allows for better care coordination, focused chart audit, and more accurate risk adjustments.

Right-size risk adjustment factors
Measure and Manage Quality of Care

Ongoing Quality Compliance

Coordinated Outreach and Gap Closure

High Value Networks

Quality performance must be baked in to daily care management activities, program management, and network strategies.
Conclusion

Select
2. Assess clinical service line competitiveness across inpatient, outpatient, and post-acute levels of care.
3. Track in- and out-migration of assigned populations.

Govern
1. Align the business goals of all participants with mutually beneficial use cases.
2. Reduce investment in redundant technologies and services.
3. Standardize measures, risk-adjustment and necessary data transformations.

Mitigate Risk
1. Conduct appropriate stratification, coordination, outreach and intervention.
2. Track and close code gaps as aggressively as care gaps.
3. Manage quality at aggregate and individual levels.
4. Create and sustain high quality networks.
QUESTIONS?
Contact Us

For further information or demonstration of our solutions

www.mahealthdata.org

www hbisolutions.com

Denny Brennan
Executive Director, MHDC
dbrennan@mahealthdata.org

Laura Kanov
Senior Vice President, Product Strategy, HBI Solutions
lkanov@hbisolutions.com

David Oliver
Client Strategist, HBI Solutions
doliver@hbisolutions.com