

## 3 Steps Critical to ACO Success

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

# Introductions

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**Denny Brennan**  
Executive Director, MHDC



**Laura Kanov**  
Senior Vice President, Product  
Strategy, HBI Solutions



**David Oliver**  
Client Strategist,  
HBI Solutions

# About Us

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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.

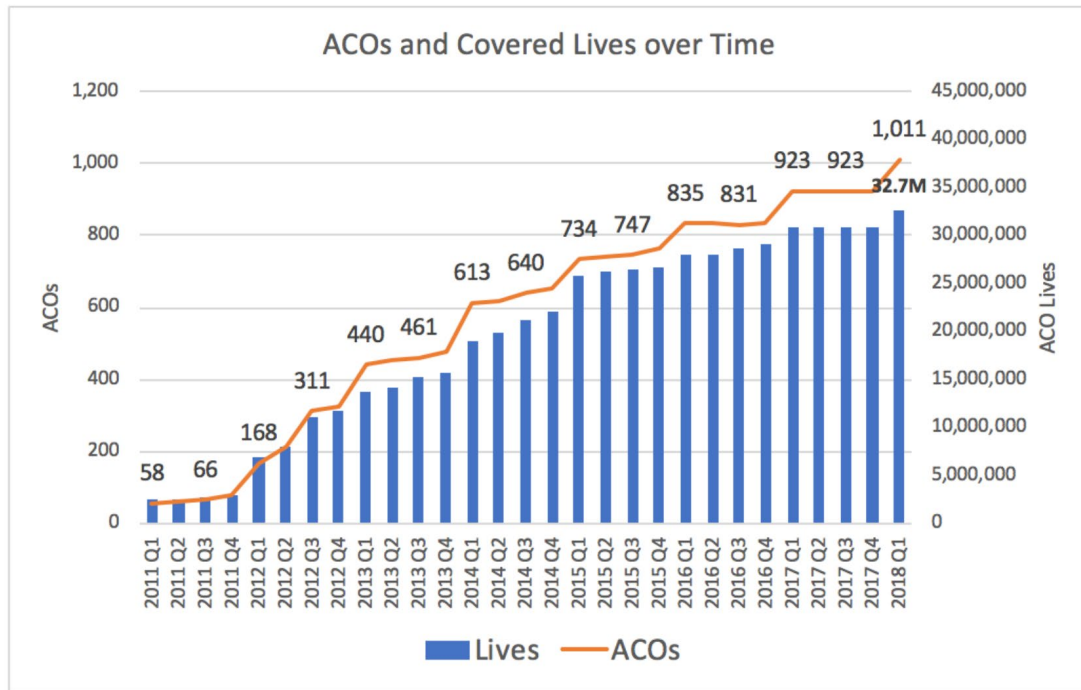
## Massachusetts Health Data Consortium

- ▶ 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



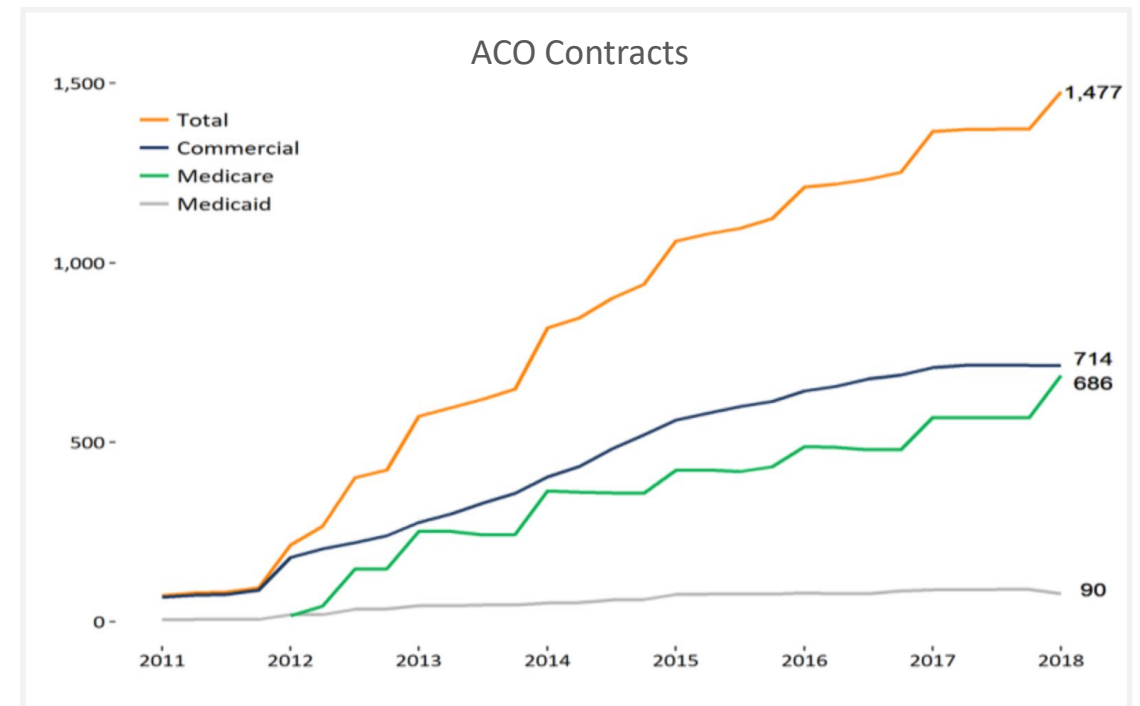
Medicare ACOs



Commercial ACOs



Medicaid ACOs



# 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.

<https://www.healthcare-informatics.com/article/value-based-care/breaking-cms-proposes-sweeping-changes-mssp-aco-program>

# Accountable Care in Massachusetts

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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

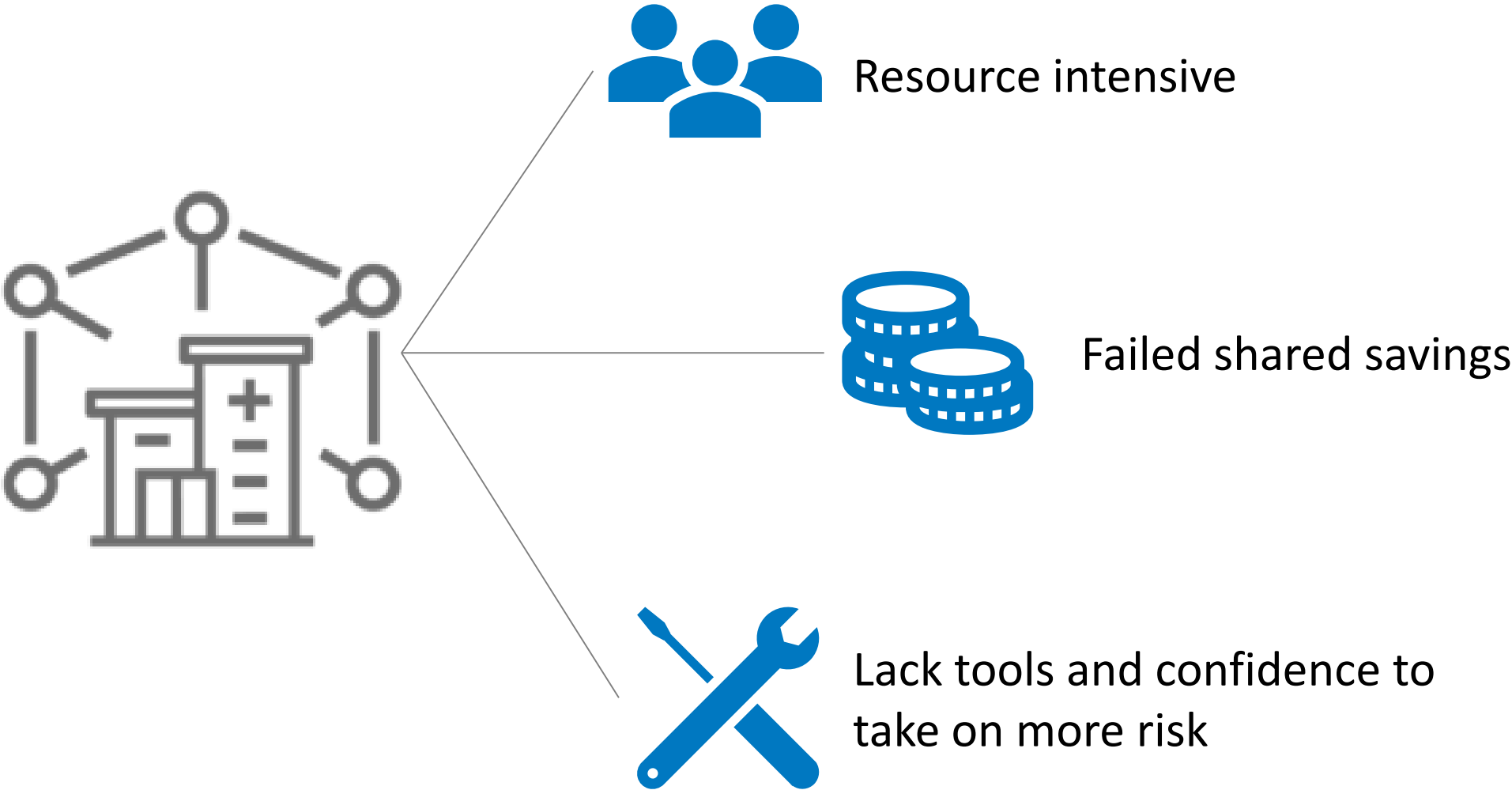
## Medicaid

- 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

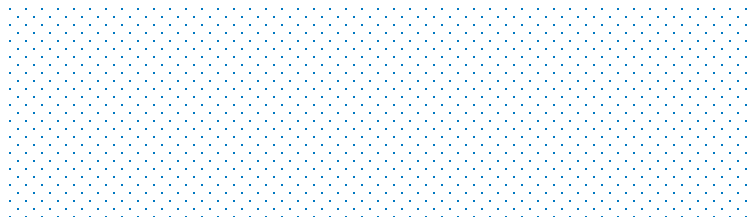


# 3 Steps Critical to ACO Success

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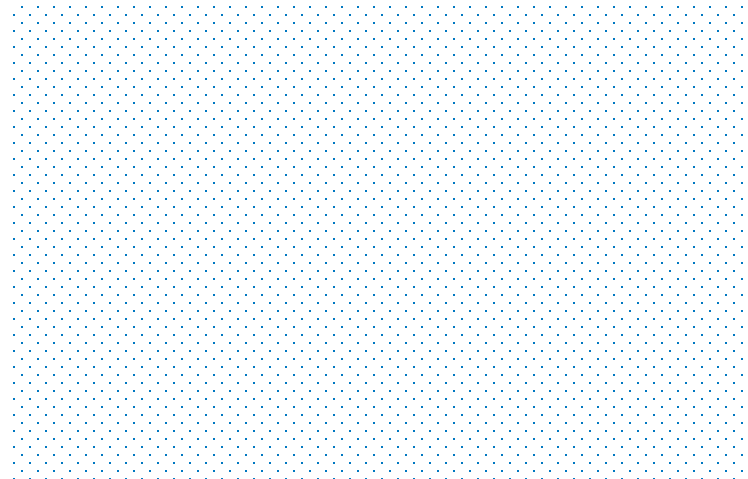
## Step 1

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







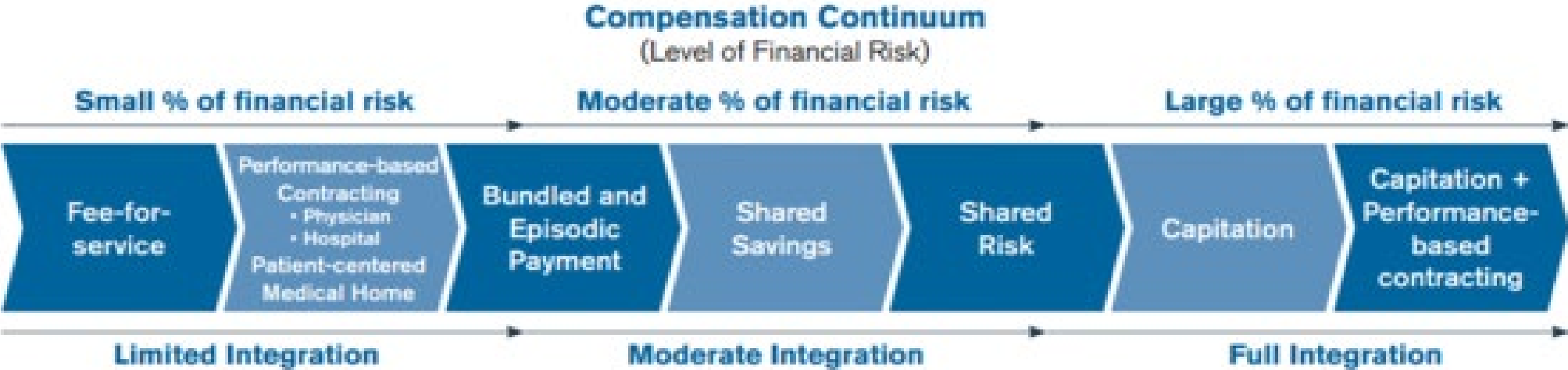
## David Oliver

Client Strategist,  
HBI Solutions

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

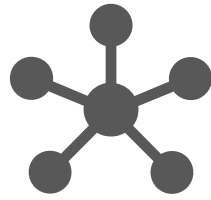
# The Road to Risk



*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

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Know your market



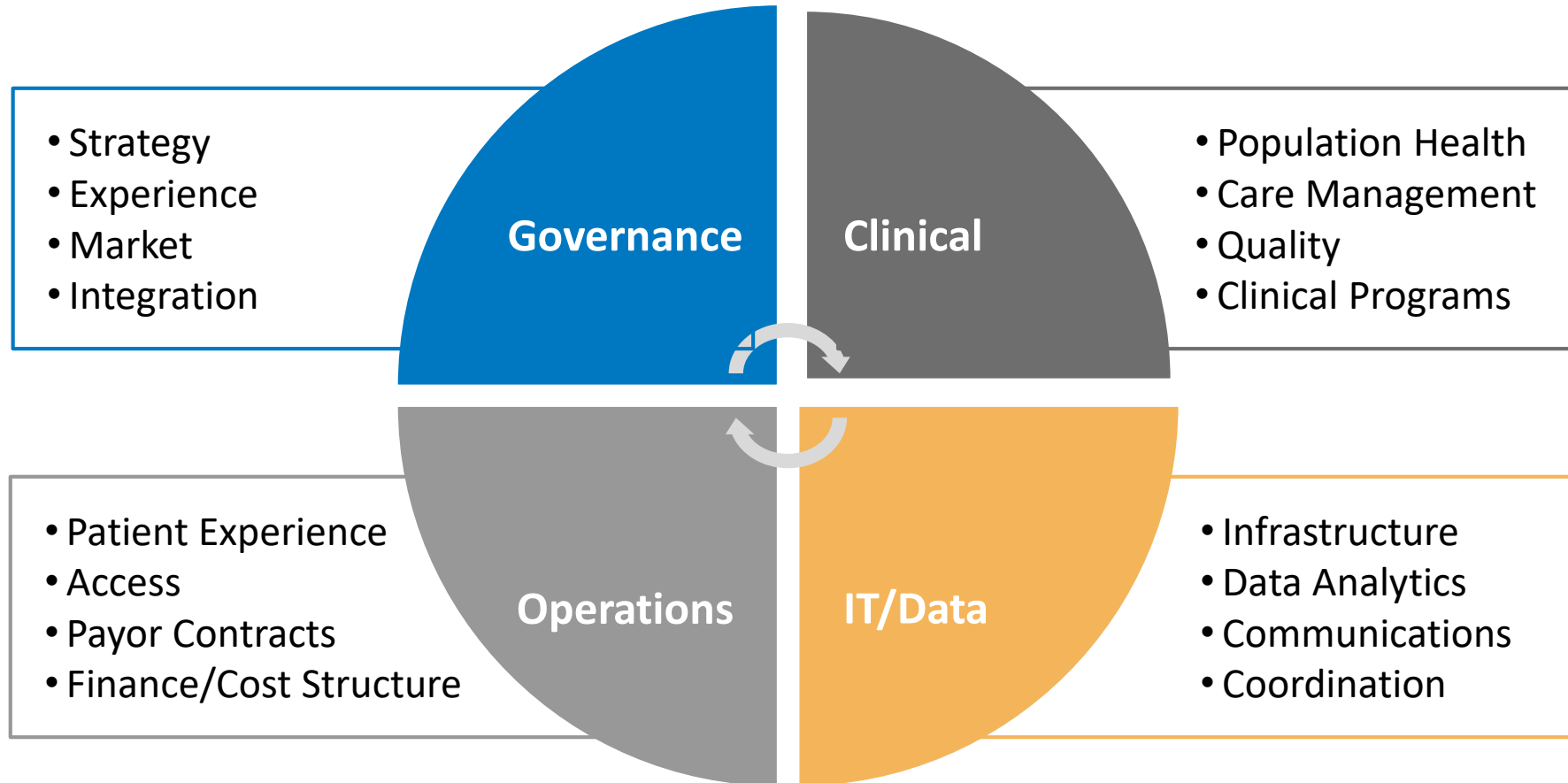
Know your network  
and affiliated partners



Use Market Intelligence to clarify the analysis.

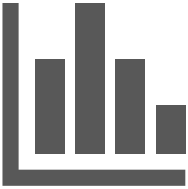
# Operational Governance

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# Select the Right Contract: Set the right metrics

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Align your network assets  
to your tolerance for risk



Choose the  
right population



Use Market Intelligence to clarify the analysis.

# ACO Types

## Medicare

	Agreement Period	Minimum Population Size	Downside Risk	Advanced APM* Qualification	Sharing Rate	Shared Loss Rate	Min. Savings Rate (MSR) / Min. Loss Rate (MLR)	First Dollar Sharing?	Maximum Gain	Maximum Loss	Payments	Attribution	Waivers
<b>Medicare Shared Savings Program TRACK 1</b>	Three years; allowed to renew for second three-year period or extend first period by one year (maximum of six years)	5,000	No	No	Up to 50% Depending on quality performance	N/A	MSR 2.0%–3.9% based on size of attributed population, No MLR	Yes, once MSR is met	10% of Benchmark	N/A	FFS Reconciled shared savings	Retrospective Option of prospective attribution starting in 2020	No
<b>Medicare Shared Savings Program TRACK 1+</b>	Three years (Track 1 participants may complete current agreement periods in Track 1+)	5,000	Yes	Yes	Up to 50% Depending on quality performance	30% fixed	Option One: No MSR/MLR MSR MLR Option Two: Symmetrical in 0.5% increments, 0.5%–2.0% MSR MLR Option Three: Symmetrical 2.0%–3.9%, based on size of ACO MSR MLR	Yes, once MSR/MLR is met	10% of Benchmark	of FFS Revenue** -8% of Benchmark -4%	FFS Reconciled shared savings and losses	Prospective	Three-day SNF Telehealth waivers will be an option in 2020
<b>Medicare Shared Savings Program TRACK 2</b>	Three years	5,000	Yes	Yes	Up to 60% Depending on quality performance	40% to 60% Equal to one minus the sharing rate, but must fall within this range	Option One: No MSR/MLR MSR MLR Option Two: Symmetrical in 0.5% increments, 0.5%–2.0% MSR MLR Option Three: Symmetrical 2.0%–3.9%, based on size of ACO MSR MLR	Yes, once MSR/MLR is met	15% of Benchmark	Year 1: -5% Year 2: -7.5% Year 3: -10%	FFS Reconciled shared savings and losses	Retrospective Option of prospective attribution starting in 2020	No Telehealth waivers will be an option in 2020
<b>Medicare Shared Savings Program TRACK 3</b>	Three years	5,000	Yes	Yes	Up to 75% Depending on quality performance	40% to 75% Equal to one minus the sharing rate, but must fall within this range	Option One: No MSR/MLR MSR MLR Option Two: Symmetrical in 0.5% increments, 0.5%–2.0% MSR MLR Option Three: Symmetrical 2.0%–3.9%, based on size of ACO MSR MLR	Yes, once MSR/MLR is met	20% of Benchmark	-15% of Benchmark	FFS Reconciled shared savings and losses	Prospective	Three-day SNF Telehealth waivers will be an option in 2020
<b>Next Generation ACO MODEL**</b>	One to three years (depending on timing of first year of participation); allowed to apply for up to two additional years	10,000 (7,500 for rural providers)	Yes	Yes	80% or 100% Participant choice between two risk arrangements	80% or 100% Participant choice between two risk arrangements	No MSR/MLR, CMS applies discount to benchmark; size of discount depends on ACO's efficiency relative to national and regional benchmarks MSR MLR	Yes, from benchmark including discount	15% of Benchmark	-15% of Benchmark	FFS Three population-based models	Prospective	Three-day SNF, telehealth, post-discharge home visit

## Commercial

## Medicaid - MassHealth



## Denny Brennan

Executive Director, MHDC

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

# STEP 2: ESTABLISH APPROPRIATE DATA GOVERNANCE

# Establish Appropriate Data Governance

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Governance



Contracting



Operations



Access



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.





## Laura Kanov

Senior Vice President, Product  
Strategy, HBI Solutions

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

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## **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

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## Efficient Use of Resources

- Machine learning for predictive risk
- Recent admissions & discharges
- Complex & specialty care



## Avert Costly Utilization

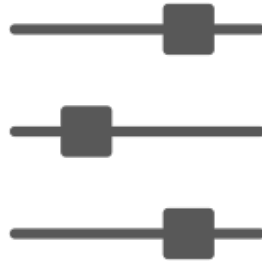
- Full clinical risk profile
- Transparent risk features and influence
- Embed in native workflow



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

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Right-size risk adjustment factors



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.

# Measure and Manage Quality of Care

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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

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## Select

1. Use past performance to assess relative performance of clinical networks.
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

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For further information or demonstration of our solutions



[www.mahealthdata.org](http://www.mahealthdata.org)



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The Power to Predict, the Power to Act

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