



ACO's

A New Care Delivery Model for New Expectations

National Black Caucus of State Legislators

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Healthcare Reform

How do we effectively prepare for the coming changes?

Use of Accountable Care Organizations (ACO's) to assist in delivery transformation

Current System



Absent or poor data leaves providers without vital information
Fragmented delivery system, with minimal care coordination and no accountability
Wrong incentives production vs. quality-focus.

Future System (ACO's)

Better information that engages physicians, supports improvement;
Foster integration and accountability for the full continuum of care – and for the capacity of the local health system.
Rethink incentives: Realign incentives – both financial and professional – with care goals.

Franciscan Alliance & Accountable Care

- As an integrated delivery system, the Franciscan Alliance is well-positioned to become an ACO

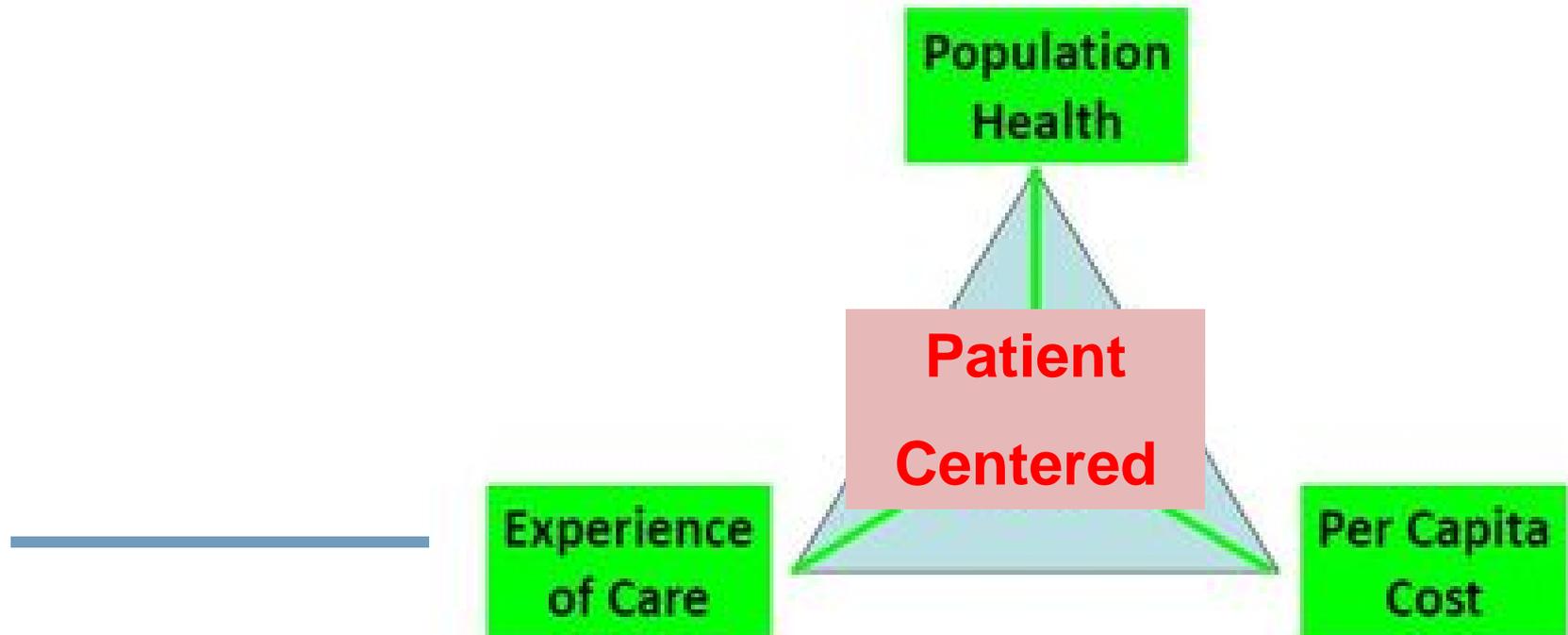


- Strong network of hospitals and outpatient facilities
- Large network of primary and specialty care providers
- Expansive clinical offerings
- Strong IT backbone for information-sharing and care coordination
- Care & case management services
- Home Health, Hospice, & Palliative Care
- Evidence-based care protocols
- Relationships with post-acute care providers

Accountable *what?*

What are the goals of an ACO?

1. Better population health
2. Higher-quality care
3. Lower costs of care



How do ACO's help achieve the "Triple Aim"?

ACO's focus on better healthcare via the implementation of systematic efforts to improve quality and reduce costs across the organization and the entire care continuum:

- Improved care coordination
 - Reduced waste (e.g. duplicate testing)
 - Internal process improvement
 - Informed patient choices
 - Chronic disease management
 - Point of care reminders and best-practices (via health information technology/ EHR data-sharing)
 - Actionable, timely data
 - Creation of partnerships across the care continuum (preventive, acute, post-acute)
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ACO Contracting: How does it work?

ACO contracts are often referred to as “shared-savings” contracts because payers share cost-savings with the ACO

Because ACO’s are a relatively new phenomenon, contracts vary largely; however, all contracts usually base shared-savings on 2 components:

1. Quality

- ACO must meet pre-determined quality benchmarks

2. Cost

- The ACO is given an annual cost target based on its population’s historical medical costs
- If the ACO has annual medical costs below this benchmark and meets quality metrics, the ACO is eligible to receive a share of the savings generated; in some instances, the ACO may be required to share in costs above the benchmark

Providing Quality Care



Making Care Safer

- Communication
- Evidence Protocols

Patient Engagement

- Patient Centered

Promote Prevention

- Electronic Health Records



