How to Create Lasting Partnerships and a Meaningful Value Proposition with ACOs

“How to Create Lasting Partnerships and a Meaningful Value Proposition with ACOs”
National Association for Home Care & Hospice
2014 Annual Meeting and Exposition
Education Session 658

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Managing Partner, Cypress HomeCare Solutions

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CEO
Brainforest
Questions

First Question

Goals for today…

History, definitions—getting on the same page
ACOs in play—examples
Our research says…
Creating partnerships
Winning partnerships
Revisiting your questions and Q&A
“There is nothing wrong with change as long as it’s in the right direction.”

—Winston S. Churchill
1925, speaking before the British House of Commons

ACOs EXPLAINED
2014 HOME HEALTH EXECUTIVE PANEL

“How familiar are you with Accountable Care Organizations?”

<table>
<thead>
<tr>
<th>% of Respondents</th>
<th>Not at all familiar</th>
<th>Somewhat familiar</th>
<th>Familiar</th>
<th>Very familiar</th>
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<tbody>
<tr>
<td></td>
<td>13.2</td>
<td>37.3</td>
<td>41.1</td>
<td>8.5</td>
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</table>

Source: Launch Factory/Brainforest Home Health Market Outlook 2014; survey conducted Q4 2013

THE IHI TRIPLE AIM

Improving the patient experience of care (including quality and satisfaction)

Improving the health of populations

Lowering the per-capita cost of healthcare

“The concept of the Accountable Care Organization is designed to address a key problem: the fragmented, disconnected nature of fee-for-service health care delivery in most parts of the U.S. and the ways in which it rewards volume instead of results.”
- George Isham, MD, MS
  Chief Health Officer and Plan Medical Director, HealthPartners
## QUALITY MEASURES

<table>
<thead>
<tr>
<th>Domain</th>
<th>Measure Number</th>
<th>Measure Name</th>
<th>Denominator</th>
<th>Numerator</th>
<th>Year ACH Performance Rate</th>
<th>Mean Performance Rate</th>
<th>Median Performance Rate</th>
<th>5th Percentile Performance Rate</th>
<th>95th Percentile Performance Rate</th>
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<tbody>
<tr>
<td>CAHPS Composite</td>
<td></td>
<td>Providers Overall Score on the following CAHPS Survey questions</td>
<td></td>
<td></td>
<td>Not Available</td>
<td></td>
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<tr>
<td>ACO-1</td>
<td></td>
<td>Getting Timely Care, Appointments, and Information</td>
<td></td>
<td></td>
<td>81.28</td>
<td>81.39</td>
<td>81.43</td>
<td>78.95</td>
<td>78.79</td>
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<tr>
<td>ACO-2</td>
<td></td>
<td>How Well Your Doctors Communicate</td>
<td></td>
<td></td>
<td>84.33</td>
<td>84.84</td>
<td>84.91</td>
<td>82.93</td>
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<td>ACO-3</td>
<td></td>
<td>Patients’ Rating of Doctor</td>
<td></td>
<td></td>
<td>82.56</td>
<td>84.24</td>
<td>84.91</td>
<td>82.93</td>
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<td>ACO-4</td>
<td></td>
<td>Access to Specialists</td>
<td></td>
<td></td>
<td>87.07</td>
<td>88.75</td>
<td>89.57</td>
<td>87.51</td>
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<td>ACO-5</td>
<td></td>
<td>Health Promotion and Education</td>
<td></td>
<td></td>
<td>82.92</td>
<td>83.61</td>
<td>84.46</td>
<td>82.71</td>
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<td>ACO-6</td>
<td></td>
<td>Shared Decision Making</td>
<td></td>
<td></td>
<td>79.42</td>
<td>79.93</td>
<td>81.33</td>
<td>78.93</td>
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<td>ACO-7</td>
<td></td>
<td>Health Status/Functional Status</td>
<td></td>
<td></td>
<td>72.58</td>
<td>72.35</td>
<td>72.12</td>
<td>70.75</td>
<td>70.75</td>
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<tr>
<td>ACO-9</td>
<td></td>
<td>ASC Admissions: COPD or Asthma in Older Adults</td>
<td></td>
<td></td>
<td>0.07</td>
<td>0.08</td>
<td>0.09</td>
<td>0.08</td>
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<tr>
<td>ACO-10</td>
<td></td>
<td>ASC Admission: HF</td>
<td></td>
<td></td>
<td>0.16</td>
<td>0.20</td>
<td>0.19</td>
<td>0.18</td>
<td>0.18</td>
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<tr>
<td>ACO-11</td>
<td></td>
<td>Percent of PCPs who Qualified for EHR Incentive</td>
<td></td>
<td></td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>ACO-12</td>
<td></td>
<td>Payment</td>
<td></td>
<td></td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
<td>ACO-13</td>
<td></td>
<td>Medication Reconciliation</td>
<td></td>
<td></td>
<td>68.90%</td>
<td>72.27</td>
<td>78.61</td>
<td>69.76</td>
<td>99.71</td>
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<td>ACO-14</td>
<td></td>
<td>Full: Screening for Fall Risk</td>
<td></td>
<td></td>
<td>56.22</td>
<td>57.27</td>
<td>58.27</td>
<td>54.61</td>
<td>54.61</td>
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<tr>
<td>ACO-15</td>
<td></td>
<td>Tobacco Use Assessment and Cessation intervention</td>
<td></td>
<td></td>
<td>6.58%</td>
<td>20.01</td>
<td>20.01</td>
<td>30.00</td>
<td>30.00</td>
</tr>
<tr>
<td>ACO-16</td>
<td></td>
<td>Depression Screening</td>
<td></td>
<td></td>
<td>57.30%</td>
<td>52.14</td>
<td>51.24</td>
<td>52.14</td>
<td>52.14</td>
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<tr>
<td>ACO-17</td>
<td></td>
<td>Colorectal Cancer Screening</td>
<td></td>
<td></td>
<td>62.78%</td>
<td>60.61</td>
<td>60.61</td>
<td>60.61</td>
<td>60.61</td>
</tr>
<tr>
<td>ACO-18</td>
<td></td>
<td>Mammography Screening</td>
<td></td>
<td></td>
<td>61.21%</td>
<td>62.33</td>
<td>62.33</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
<td>ACO-19</td>
<td></td>
<td>Prevention of Adults who had blood pressure screened in past 2 years</td>
<td></td>
<td></td>
<td>58.35</td>
<td>59.70</td>
<td>63.51</td>
<td>61.51</td>
<td>61.51</td>
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<tr>
<td>Diabetes Composite</td>
<td></td>
<td>Beneficiaries with diabetes who met all of the following criteria²</td>
<td></td>
<td></td>
<td>20.4%</td>
<td>23.4%</td>
<td>23.4%</td>
<td>23.4%</td>
<td>23.4%</td>
</tr>
<tr>
<td>ACO-20</td>
<td></td>
<td>Hemoglobin A1c Control (Ideal:9%) (6 percent)</td>
<td></td>
<td></td>
<td>64.05%</td>
<td>66.92</td>
<td>66.92</td>
<td>60.95</td>
<td>78.18</td>
</tr>
<tr>
<td>ACO-21</td>
<td></td>
<td>Low Density Lipoprotein (LDL) (&lt; 100 mg/dL)</td>
<td></td>
<td></td>
<td>62.25%</td>
<td>67.45</td>
<td>67.45</td>
<td>67.45</td>
<td>67.45</td>
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<tr>
<td>ACO-22</td>
<td></td>
<td>Blood Pressure (SBP: &lt; 140/90)</td>
<td></td>
<td></td>
<td>70.65%</td>
<td>76.45</td>
<td>76.45</td>
<td>76.45</td>
<td>76.45</td>
</tr>
<tr>
<td>ACO-23</td>
<td></td>
<td>Tobacco Non-Use</td>
<td></td>
<td></td>
<td>62.75%</td>
<td>71.75</td>
<td>71.75</td>
<td>68.75</td>
<td>68.75</td>
</tr>
<tr>
<td>ACO-24</td>
<td></td>
<td>Antipsychotics Use</td>
<td></td>
<td></td>
<td>62.75%</td>
<td>71.75</td>
<td>71.75</td>
<td>68.75</td>
<td>68.75</td>
</tr>
</tbody>
</table>

### Domain: Patient/Caregiver Experience

### Domain: Care Coordination/Patient Safety²
### Preventive Health

<table>
<thead>
<tr>
<th>ACO-13</th>
<th>Falls: Screening for Fall Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACO-14</td>
<td>Influenza Immunization</td>
</tr>
<tr>
<td>ACO-15</td>
<td>Pneumococcal Vaccination</td>
</tr>
<tr>
<td>ACO-16</td>
<td>Adult Weight Screening and Follow-up</td>
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<tr>
<td>ACO-17</td>
<td>Tobacco Use Assessment and Cessation</td>
</tr>
<tr>
<td>ACO-18</td>
<td>Intervention</td>
</tr>
<tr>
<td>ACO-19</td>
<td>Depression Screening</td>
</tr>
<tr>
<td>ACO-20</td>
<td>Colorectal Cancer Screening</td>
</tr>
<tr>
<td>ACO-21</td>
<td>Mammography Screening</td>
</tr>
<tr>
<td></td>
<td>Proportion of adults who had blood pressure screened in past 2 years</td>
</tr>
</tbody>
</table>

#### Diabetes Composite

Beneficiaries with diabetes who met all the following criteria:

- **ACO-22**: Hemoglobin A1c Control (HbA1c) (<8 percent)
- **ACO-23**: Low Density Lipoprotein (LDL) (<100 mg/dL)
- **ACO-24**: Blood Pressure (BP) < 140/90
- **ACO-25**: Tobacco Non-Use
- **ACO-26**: Aspirin Use
- **ACO-27**: Percent of beneficiaries with diabetes whose HbA1c in poor control (>9 percent)
- **ACO-28**: Percent of beneficiaries with hypertension whose BP < 140/90
- **ACO-29**: Percent of beneficiaries with IVD with complete lipid profile and LDL control < 100 mg/dL

### ACO Models and Types

- Pioneer
- Advance Payment
- Medicare Shared Savings Program
- Commercial
- Medicaid
- Bundled Payments FCI
- NEW: ACO Investment Model
- Vanguard Model in 2015?
### BY THE NUMBERS

<table>
<thead>
<tr>
<th>Percent of physicians involved with ACOs</th>
<th>January 2011</th>
<th>January 2012</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of ACOs</td>
<td>73</td>
<td>151</td>
<td>700+</td>
</tr>
<tr>
<td>Covered Lives</td>
<td>2M</td>
<td>6.2M</td>
<td>20M+</td>
</tr>
</tbody>
</table>

Source: Brainforest, LLC

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### ACO MODELS AND TYPES

PERFORMANCE: 2013 REPORTING

JANUARY 2012 START

WHO PERFORMED?

- No Savings: 74%
- Savings: 26%

64 out of 243 achieved savings and earned bonus

EARNED BONUS

- AC Os: 54%
- CMS: 46%

ACOs received a combined $445M in bonuses out of $817M in total savings


PERFORMANCE: 2013 REPORTING

JANUARY 2012-START ACOs

**PIONEER**

- Results: 11 out of 23 achieved savings of a combined $96M for $68M in bonus
- Slowed cost growth less than Medicare FFS
- Improved quality score by 19% over 2012

**MSSP**

- Results: 53 out of 220 achieved savings of $700M for more than $300M in bonus
- Improved quality on 30 of 33 quality measures

SNAPSHOTS
ACO ENGAGEMENT

“For any reason, has your ACO had discussions or meetings with any...”

- Pharmaceutical or Medical Device
- Home Health or Home Infusion
- Skilled Nursing or Rehab
- Long-term Care Pharmacy
- Nursing Home Provider
- Ambulatory Care Center
- Durable Medical Equipment
- Medical Supplies Manufacturer

n=92

Source: Q3 2014 Brainforest ACO Executive Panel Survey

SIMPLE CONTRACTING

“Does your ACO have a simple contract, such as one with discounted fees or pricing, with...”

- Pharmaceutical or Medical Device
- Home Health or Home Infusion
- Skilled Nursing or Rehab
- Long-term Care Pharmacy
- Nursing Home Provider
- Ambulatory Care Center
- Durable Medical Equipment
- Medical Supplies Manufacturer

n=92

COST VS OUTCOMES
REDUCING READMISSIONS: RANK AMONG ACO EXECUTIVES

Source: Q3 2014 Brainforest ACO Executive Panel Survey

TRUSTED HOME HEALTH PARTNERS

"Which home health or home infusion company would you trust the MOST to engage in a business relationship? Please select one from the drop-down menu below."

Source: Q3 2014 Brainforest ACO Executive Panel Survey
IMPORTANT TRENDS

- Incredibly fast moving
- Spillover effects: VIVITY
- Physician-led model taking over
- Data and systems
- Partnerships and alliances

WINNING PARTNERSHIPS
CREATING PARTNERSHIPS

1. Identify your value proposition.

but first…

What does the customer want/need?
THE ACO TRIPLE AIM

Improving the patient experience of care (including quality and satisfaction)

Improving the health of specific populations under their control

Lowering the cost of healthcare for their population

PERCENTAGE OF ACOS, HIGH READINESS

2012 SURVEY OF 2012 ACO LEADERS

FACTORS AFFECTING READMISSION

**CLINICAL**
- Outpatient Follow-up
- Medication Regimen
- Acuity of Patients

**NON-CLINICAL**
- Patient Medical Literacy
- Patient Support Structure
- Sharing of Information

Source: http://www.optum.com/content/dam/optum/resources/whitePapers/ReadmissionPrevention_WhitePaper_Online_FINAL.pdf

2. Establish your position.

Your position is your value proposition, weighed against alternatives, in the mind of your customer.
3. Quantify the benefit.

Your position is your value proposition, weighed against alternatives, in the mind of your customer.

Now, monetize that position.
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