



NS7

# ACO's and the Changing Landscape: What to Know and How to Prepare

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## What We'll Cover

- Overview of the ACO Model
- Early ACO Policy & Adopters
- The Impact of ACO on Imaging
- Suggestions for Preparation



## Slide 1

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**NS7** Formatted to eliminate ineffective phase break.  
Neil Singh, 7/1/2011

## ACO: Accountable Care Organization

### The Word on the Street

- The “Unicorn”
- Recycled practice (Capitation, HMO)
- Healthcare by committee
- ACOs & The Mayan Calendar...Just a Coincidence?

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## ACO: Accountable Care Organization



MUG #1: ACO Unicorns



MUG #2: ACO Rules



MUG #3: Shared Savings

Source: [ACODigest.com](http://ACODigest.com)

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## ACO: Accountable Care Organization

- Who's Idea was this Anyway?
  - More than half Medicare beneficiaries have 5 or more chronic conditions (I.e. diabetes, arthritis, hypertension, kidney disease)
  - 1 in 5 Medicare patients discharged from hospital are re-admitted within 30 days
  - Kaiser Family Foundation's recent report found US spending 51% higher per capita than next largest spender (Norway)

Source: HealthCare.gov

Source: pbs.org



## ACO: Accountable Care Organization

- Who's Idea was this Anyway?
  - The Medicare Physician Group Practice Demonstration & Dr. Elliott Fisher (2005-2010)

Physician Group Practice Demonstration: Performance Year 1 - Performance Year 4 Summary Results

	Quality Percentage				Shared Savings Payments			
	PY1	PY2	PY3	PY4	PY1	PY2	PY3	PY4
Billings	90.91%	97.78%	98.11%	92.45%	0	0	0	0
Dartmouth	95.45%	97.78%	92.45%	94.34%	0	6,689,879	3,570,173	328,798
Everett	86.36%	95.56%	94.34%	94.34%	0	129,268	0	0
Forsyth	100.00%	100.00%	96.23%	96.23%	0	0	0	0
Geisinger	72.73%	100.00%	100.00%	100.00%	0	0	1,950,649	1,788,196
Marshfield	81.82%	100.00%	98.11%	100.00%	4,565,327	5,781,573	13,816,922	16,154,242
Middlesex	86.36%	95.56%	92.45%	94.34%	0	0	0	0
Park Nicollet	95.45%	97.78%	100.00%	100.00%	0	0	0	0
St. John's	100.00%	100.00%	96.23%	98.11%	0	0	3,143,044	8,185,757
Michigan	95.45%	100.00%	94.34%	96.23%	2,758,370	1,239,294	2,798,005	5,222,852

Source: RTI International

[http://www.cms.gov/DemoProjectsEvalRpts/downloads/PGP\\_Summary\\_Results.pdf](http://www.cms.gov/DemoProjectsEvalRpts/downloads/PGP_Summary_Results.pdf)



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2011

## ACO: Accountable Care Organization

### Definition of ACO

“an ACO refers to a group of providers and suppliers of services (e.g., hospitals, physicians, and others involved in patient care) that will work together to coordinate care for the Medicare Fee-For-Service (FFS) beneficiaries they serve. The goal of an ACO is to deliver seamless, high quality care for Medicare beneficiaries, instead of the fragmented care that has so often been part of FFS health care. The ACO would be a patient-centered organization where the patient and providers are true partners in care decisions.”<sup>Source: CMS.gov</sup>

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## ACO: Accountable Care Organization

### Proposed Policies of ACO

- Governing body representing ACO providers of services, suppliers and Medicare beneficiaries
- Submit Application and Plan to Deliver
- At least 5000 beneficiaries
- Period of at least 3 years
- Reporting requirements that measure quality of care and cost at patient and episode level
- Inclusion not automatic

Source: CMS.gov

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## Slide 7

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**NS1** This slide is a little busy. Is there a way you can say all this without so much writing? As the audience, If I am reading this I will not be listening to you and vice versa.

suggestion- you can lay out the definition and then maybe put the goals as bullets.

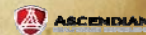
Neil Singh, 7/1/2011



## **ACO: Accountable Care Organization**

### The Components of an ACO

- ACO professionals (i.e., physicians and hospitals meeting the statutory definition) in group practice arrangements
- Networks of individual practices of ACO professionals
- Partnerships or joint ventures arrangements between hospitals and ACO professionals
- Hospitals employing ACO professionals
- Other Medicare providers and suppliers as determined by the Secretary



## **ACO: Accountable Care Organization**

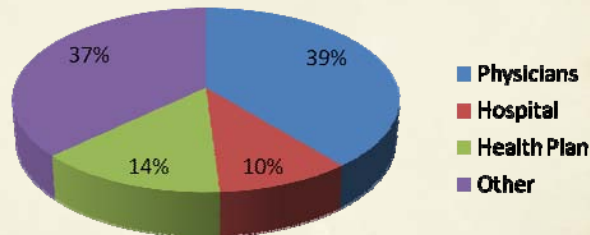
### The ACO Timeline

- Proposed rule and public comment period closed
- Final rules scheduled to be issued "later this year"
- Pioneer ACO apps due August 2011 (pilot program)
- Scheduled launch of Shared Savings Program is 2012



## ACO: Early Adopters

- Will you launch an ACO in the next 12 months?



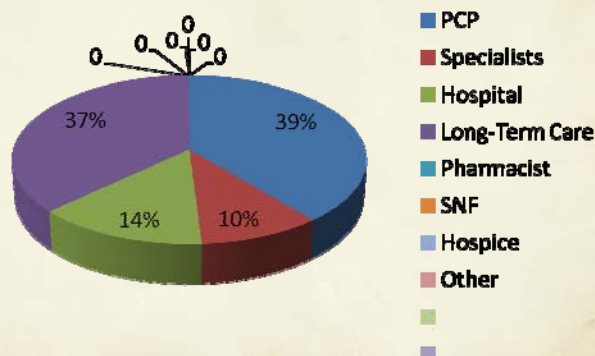
Source: HIN ACO Survey, Feb 2011

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## ACO: Early Adopters

- Who will administer the ACO?



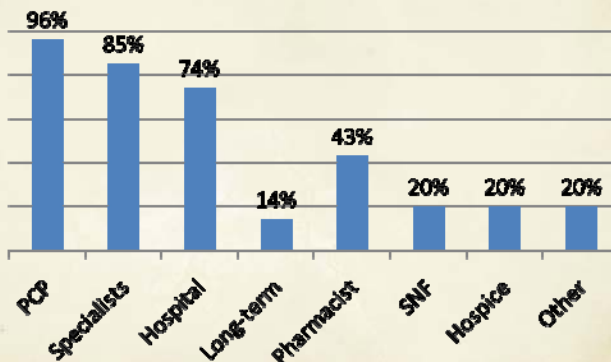
Source: HIN ACO Survey, Feb 2011

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## ACO: Early Adopters

- Which providers will participate in the ACO?



Source: HIN ACO Survey, Feb 2011

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## ACO: Impact to Imaging

- Better care, lower cost – Getting rid of “re”
  - Re-ordering
  - Re-scheduling
  - Re-imaging
  - Re-reading <sup>NS6</sup>

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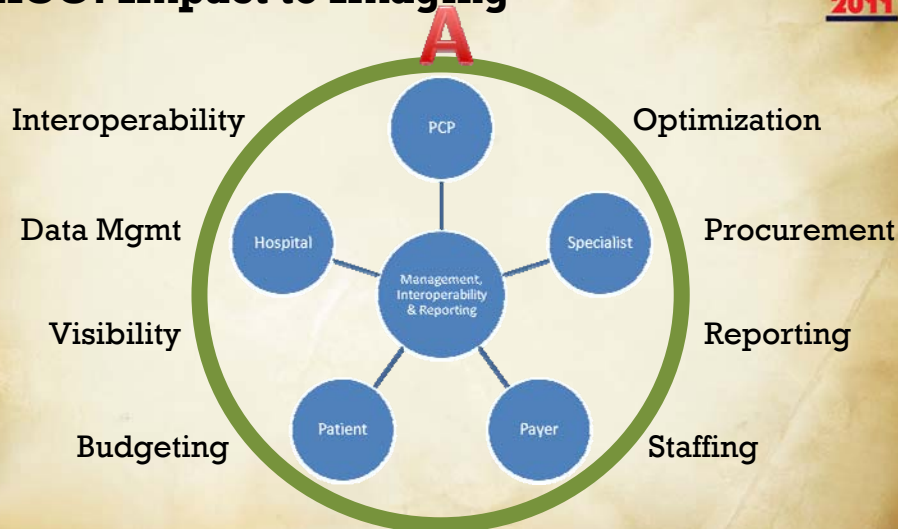


## Slide 14

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**NS6** How about re-billing or multi billing. Would that apply here as well?  
Neil Singh, 7/1/2011

## ACO: Impact to Imaging



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## ACO: Impact to Imaging

- **Reduced / modified revenues**
  - Standardized Workflow
  - System Optimization
  - Reduced System / Operation Costs
  - Archive Intelligence / Image Lifecycle Management (ILM) <sup>NS2</sup>

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**NS2**    **Spell-checked**  
Neil Singh, 7/1/2011

## ACO: Impact to Imaging

- Risk of Commoditization
  - Paradigm Shift in Radiology Consulting Model
  - Optimized Workflow and System Efficiency will only get us so far
    - Exam + Report = Commodity
  - Decision Support & Consultative Services
  - Data Mining / Business Analytics

## ACO: Impact to Imaging

- Share of patient risk
  - Participate in OE/DS
  - Become leading experts in Utilization Management
  - Carefully manage Preps, Allergies, etc.

## ACO: Key Risks & Benefits

### Risks

- Commoditization
- Reduced Revenue
- Confusion over Specifics
- Shared Savings “Pot ‘O Gold”

### Benefits

- Focused spending on IT improvements (*know what you need and make it known!*)
- Improved patient experience
- Disruptive market forces that will drive re-imagination

NS3

## ACO: How to Prepare - Business

- Focus on what you do know
- Current state assessment
  - Organizational / Professional
  - Technological / Interoperability
  - Clinical / Patient Care Model

## Slide 19

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**NS3**    **Advanced technology- Multimodality. Another option.**  
Neil Singh, 7/1/2011



## ACO: How to Prepare - Infrastructure

- Image & Report Access across Enterprise in One Location
- Simplify Interface Management (System Consolidation)
- Standardize Exam Codes (SNOMED)
- Relevant Data Captured and Updated
- Enable Reporting, Business Analytics/Intelligence
- Standardize Protocols
- 3<sup>rd</sup> Party Application Management
- Intelligent Archiving for Accuracy, Lifecycle Mgmt. Cost Avoidance

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## ACO: How to Prepare - Relationships

- Relationship with Administration
- Relationship with IT
- Relationship with Radiologists
- Relationship with Affiliated and Non-Affiliated Physician Groups



Slide 21

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NS5      **fixed punctuation**  
Neil Singh, 7/1/2011



# Questions?

