The Accountable Care Organization: An Introduction

The healthcare reform discussion introduced new terms and ideas and reintroduced many concepts explored in the past: value-based healthcare, population health, accountable care, care coordination, the care continuum. But what does it all mean to you – as a patient, caregiver, physician, employer and community member? Will healthcare be different in the future? If so, how?

The Challenge We Face

Our healthcare system today is like every other system – designed for the exact results it achieves. While it includes many well-intentioned parts, the overall outcomes speak for themselves:

- Unsustainably high costs
- Extremely variable access, quality and service
- Poor aggregated outcomes across the entire population

With or without healthcare reform, the system will change. As a country, we cannot afford the system we have today much longer. We face a national imperative around value-based care delivery, meaning continuing to improve quality and satisfaction at lower total costs.

This new model of care means moving from our current “sick care” system - where hospitals and physicians are rewarded for providing reactive acute services - to a “well care” system that rewards primary care, prevention and wellness. It means putting patients’ needs at the center of the healthcare system and improving the transitions of care across providers, while coordinating care and sharing information across the entire healthcare continuum.

KEY TAKEAWAYS:

- Healthcare reform has highlighted the fact that our current healthcare system is unsustainable.
- We face a national imperative around value – to provide high quality care at lower total cost.
- Summa and its partners are leading the way in developing a new clinician-led Accountable Care model.
- This new “well care” system focuses on population health and rewards primary care, prevention and wellness.
It means providing the right level of care at the right time in the right place and at the right price for our patients and communities.

Instead of the current system, what if we had one where:

- People receive high-quality, coordinated, convenient care close to home with access to an integrated system of leading hospitals, the best physicians and the latest technologies
- Patients and caregivers are actively engaged in their care plans with the information, tools and support they need to be successful
- Physicians easily access the right clinical information when and where needed
- Clinicians play a leadership role in advancing clinical care delivery, research and innovation
- Businesses have a true partner to help meet healthcare needs for their employees so they can maintain a healthier, more productive workforce and integrate stable, predictable healthcare costs in their business model
- Communities see improved health for their populations with reduced health disparities
- The payment model rewards the delivery of value instead of volume
- The Healthcare System takes responsibility for both clinical and financial outcomes of the entire population it serves

The answer is we can have a system like this. We call this new model “Accountable Care” and it is our vision to support providers of healthcare services in developing a clinician-led care organization that partners with communities to compassionately care for, and serve, our populations in an accountable, value- and evidence-based manner.

**Why Accountable Care?**

The predominant payment system in healthcare today is “fee-for-service.” This system pays for healthcare services such as office visits, surgeries, emergency room visits and hospitalizations to be delivered in silos (e.g., primary care, specialty care, hospital care, diagnostic services, nursing home care, etc.) organized to produce these services in an efficient manner, regardless of whether the services are interconnected. The greater the volume of individual services produced, the more earned by physicians, hospitals and other providers.
This system no longer is affordable. We have two choices for our future. We can do nothing and face a future of ever-decreasing provider reimbursement and fiscal instability along with the continued inefficiencies and errors that are inherent to a system that is not coordinated. Or, we can take matters into our own hands, and collaborate to create a patient-centered, clinician-driven approach to care delivery and create the model of care for the future, today.

Accountable Care seeks to do this by restructuring the working relationships of the different silos along the healthcare continuum so they work in conjunction with the needs of patients, families, clinicians, employers and communities.

To be successful, Accountable Care must accomplish three things:

1. **Eliminate silos and improve care coordination, quality and satisfaction**
   
   Accountable Care must bring together insurance companies, physicians, hospitals, other providers, patients, caregivers and community organizations to create a seamless continuum of healthcare services across which patients and their healthcare information can move with ease.

2. **Equip patients and providers with the knowledge and tools to effectively manage care**
   
   Accountable Care requires both patients and providers to have the information and tools necessary to manage care effectively. Patients and caregivers must feel educated and supported in the self-management of chronic conditions. Providers need to seek out innovative, convenient and accessible ways to engage with patients and contribute to the development of new, evidenced-based care models.

3. **Provide appropriate value-based incentives to ultimately reduce the total cost of care**
   
   The Accountable Care model has to shift the reimbursement focus from volume to value, rewarding quality and satisfaction and holding providers responsible for the health outcomes and total costs of entire communities and populations. Ultimately, this will lead to better care and lower cost.

Improvements in care coordination, information sharing and value-based incentive structures will lead the way to Accountable Care.
The Accountable Care Organization

To facilitate this realignment, Summa Health System, in partnership with the five largest primary care groups in the region, created an Accountable Care Organization, also known as an ACO. The ACO is a legally-structured entity that integrates and aligns providers along the continuum of care for the purpose of proactively and systematically anticipating and addressing the health needs of the communities and population it serves. By doing so, the ACO simultaneously improves quality, satisfaction and efficiency and reduces the total cost of care. These savings then can be reinvested in the local healthcare system to continually improve care delivery and access.

The core functions of the ACO include:

- Facilitating and coordinating provider partnerships with individuals, families, and communities
- Redesigning primary care and advancing the medical/health home concept
- Population health management, including new population-based metrics
- Managing the alignment of the clinical and financial value provided by the ACO
- Integrating the system across the entire continuum of care
- Providing infrastructure/tools to member providers to support care delivery and innovation

How Summa and Its Partners are Leading the Way

In many ways, Summa Health System has been moving toward accountable care for decades with the development of its Integrated Healthcare Delivery System model that provides coordinated, value-based care across the continuum for the people, populations and communities we serve. Integrating the resources of seven owned, affiliated and joint venture hospitals; a regional network of ambulatory centers, emergency departments, urgent cares and home health providers; a network of more than 1,200 physicians, including a 240+ employed multi-specialty group and ACO partners that include the five largest primary care groups in the market; a 150,000+ member health plan; a System-level foundation; and 10,000+ employees, nurses and healthcare professionals, Summa Health System is on a transformative path to deliver accountable care.

Summa already achieves medical outcomes above national averages at costs below national averages. Now Summa is enhancing its integrated approach so physicians, hospitals and health insurance plans can work together to provide even higher quality, cost-effective, value-based care through a collaborative focus on this new model for the

Initial ACO Partners:

**Physician Groups**
- Community Health Care
- Pioneer Physicians Network
- Premiere Medical Partners
- Primary Care Associates
- Robinson Health Affiliates
- Summa Physicians, Inc.

**Hospitals**
- Summa Health System
- Robinson Memorial Hospital
- Crystal Clinic Orthopaedic Center

**Payer Partner**
- SummaCare
healthcare delivery system. Together, we can change the health and well-being of our patients and communities sooner, faster, more effectively and at a lower cost. This is not healthcare reform, it is healthcare transformation.

What’s Next?

Our ACO go-live date was January 1, 2011. The first pilot included a defined population of approximately 8,000 SummaCare Medicare Advantage members in the local market who currently see an ACO participating primary care physician. This pilot is the first step in pursing an initiative with Medicare on the fee-for-service population in 2012, as well as looking at value-based models with commercial insurers.

In addition, our ACO, along with more than 20 leading health systems across the country, is partnering with Premier’s ACO Implementation Collaborative. This group of “ACOs-with-payer-partners” will:

- Work to create a movement that compels healthcare to change in an accountable manner

- Seek to improve the individual experience of care and the health of populations, while reducing the per capita cost of care

- Openly learn from each other to facilitate more rapid testing and adaptation of the best ideas

- Create a collaborative infrastructure that allows for a standard and accountable measurement system to continually build value

The Road Ahead

We know this is the beginning of a long, challenging journey. The complexities of this transformation cannot be overstated. Then again, neither can the anticipated benefits.

Success rests, in part, on the ability to share our transformation with major constituents; therefore, we commit to opening and maintaining channels of communication with the goal of engaging and educating clinicians, employees, community members and patients.

There are challenges to changing both the culture and the delivery of healthcare in this country. We welcome that opportunity and responsibility. To this effort, we hold ourselves accountable.

For more information regarding Summa Health System and the Accountable Care Organization Initiative, please feel free to contact our ACO leadership at any time.

The healthcare system of tomorrow is at Summa Health System today.

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