ACCOUNTABLE CARE ORGANIZATIONS – EARLY LESSONS LEARNED FROM STRONG REVENUE CYCLE PERFORMERS
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When the Centers for Medicare and Medicaid (CMS) Innovation announced plans to select organizations for its Shared Savings Accountable Care Organization program in April 2011 via a proposed rule, reactions within the healthcare community were mixed. Some were excited by the prospect of a push for more coordinated and integrated care networks, while others criticized the specifics of the proposal, concerned that the level of provider risk and other provisions would make the model unsustainable over time. Subsequently, the Centers for Medicare and Medicaid Services (CMS) issued a Final Rule on Shared Savings Accountable Care Organizations (ACOs) that was much more positively received throughout the healthcare community. CMS then followed the Final Rule with an April 2012 announcement, adding 27 initial Share Savings ACOs to its original 32 Pioneer ACO group. With this backdrop in place, it’s clear that accountable care is more than the latest healthcare buzzword. Today, there is a clear change in the focus of healthcare providers, with an emphasis on shifting the focus of payment for hospitals, physicians, and other healthcare entities towards integrated care and a focus on value and quality of care rather than the volume of services provided.

“There has been a continuum of both interest and readiness for the kinds of changes involved in accountable care and shared savings,” says Mark Segal, Vice President of GE Healthcare Information Technology’s Government and Industry Affairs Division. “GE customers like Healthcare Partners have been supporting accountability models before the term ‘ACO’ was ever established, and more recently we’ve seen a number of healthcare providers that vary in geography, culture and size, who have been successful using this model.”

TODAY THERE IS A CLEAR CHANGE IN THE FOCUS OF HEALTHCARE PROVIDERS... TOWARD INTEGRATED CARE AND A FOCUS ON VALUE AND QUALITY OF CARE...

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Accountable care is not something that happens overnight. But early adopters like Healthcare Partners, a Pioneer ACO organization, and GE Healthcare, a leading provider of healthcare information technology systems, have shown that the accountable and integrated care models can be a success with thoughtful strategy and the right integrated information technology infrastructure. Following are a few of the earliest lessons learned on what it takes to be successful in an accountable care model.

THE IMPORTANCE OF DATA AND INTEROPERABILITY CAPABILITIES

As groups of coordinated and integrated healthcare providers—which may include hospitals, physicians, and other types of providers—ACOs change the payment and delivery model to tie provider payments to quality measures and to reductions in the total cost of care for assigned population groups. With ACOs responsible for the quality and cost of care delivery, profitability depends on a strategic allocation of resources. To understand where to best invest those resources, healthcare organizations require access
to timely, integrated, relevant data. Julie Castongia, Director of GE Systems at Healthcare Partners’ Information Services Department, says that achieving such access can be a tough challenge.

“One of the biggest challenges for us has been the need to base some of our population health management on historical claims data instead of more up-to-date information,” says Castongia. “Getting information in a timely manner is critical to the focus on population health, and to managing [patients’] health in between appointments—especially when you are talking about getting data from outside organizations.”

**INTEROPERABILITY, TERMINOLOGY, AND ANALYTICS CAPABILITIES ARE ESSENTIAL TO EXTRACT DATA FOR PATIENT CARE AND EFFECTIVE REIMBURSEMENTS.**

To make available the data that ACOs require, George Langdon, Vice President and General Manager of GE Healthcare Information Technology’s Revenue Cycle Management Group, emphasizes the need for healthcare IT systems that can interoperate to gather the right data needed to support key strategic and operational decisions.

“Large healthcare organizations depend on data from numerous sources, and making sense of all the data from those systems is a challenge. Interoperability, terminology, and analytics capabilities are essential to extract data for patient care and effective reimbursement,” he says. “If you have IT systems that are interoperable and an analytics platform to measure your key performance indicators (KPIs), then as a leader you can focus your team to drive improvement in support of your business strategy.”

The best revenue cycle management systems enable providers and ACOs to drive better processes—delivering better patient access, better care coordination, and better service to patients. Langdon recommends that institutions leverage enterprise access systems across their continuum of care to simplify patient access procedures and to centralize management of protocol compliance by administrative staff. “A single, enterprise-wide access solution across inpatient, outpatient, and ambulatory settings can improve the quality of the patient experience while empowering your call center to help direct patients to the appropriate care settings. When backed by task management capabilities to automate administrative
processes and analytics capabilities to measure staff productivity and overall care performance, the combination becomes a key enabler for integrated delivery networks who are taking on risk.”

As organizations take on more bundled contracts, these pre-arrival processes are a key part of the systems required to maximize performance. Other capabilities are needed—specialized capabilities to price bundled contracts, to oversee protocol compliance, to bill claims and distribute bundled payments, to measure performance vs. plan on the contracts—all of these capabilities are needed as organizations expand their bundled relationships.

Beyond bundling, some integrated delivery networks are renewing their investments in full risk management, with even more capabilities required. At this level of performance, you may have to manage patient enrollment processes, authorize referrals, and pay claims. In the ideal world, your enterprise revenue cycle management system delivers an integrated framework to manage the financials for your health plan as well.

“When you’re a large healthcare organization, you want HIT vendors that can help improve efficiencies and drive insight across the enterprise. Strong revenue cycle management systems can enable providers and ACOs to use their IT systems as a competitive advantage, to drive profitability, efficiency and enhanced quality of care,” says Langdon.

Having a complete view of clinical data is also important to both ACO success and the ability of health care organizations to compete effectively. “In the shared savings world, you want to manage the population’s care at the lowest possible cost. Imagine your organization is going to take risk for a population of kids. You want pediatricians and primary care physicians in your region to be up to date on early diagnosis of risky conditions and you want them to understand the latest low cost treatments available. You’ll want to pay special attention to educating parents of chronically ill children. You need to partner effectively with these caregivers in your community,” Langdon says.

Langdon also emphasizes that, “In such a situation, you’ll need systems to support caregiver and physician decision making with expert specialists, and you’ll need to create a system where performance across the continuum of care is transparent, so together you can improve performance. Transparent coordination of care across multiple organizations requires advanced terminology normalization and analytics capabilities, and you will need to emphasize different aspects of care depending on your population mix and on your relationship with providers. You’ll likely establish a physician incentive model to shape behavior, and you’ll need systems to administer those agreements. You need the systems that can enable the teamwork to deliver the right care at the right time at the lowest possible cost.”

Langdon recommends that institutions leverage enterprise revenue cycle systems and other healthcare IT across their continuum of care to allow for rapid data exchange with other providers and health care entities, including those in the same ACO—these include robust, interoperable electronic health records and scheduling, administrative, and referral capabilities. Such health information exchange not only ensures that data is accessible when providers need it but also helps meets
current and anticipated meaningful use criteria under the HITECH EHR incentive program.

Both Castongia and Langdon maintain that having the ability to access timely and meaningful data is a path to success using the ACO model. If a healthcare organization can collect and retrieve the right data at the right time, it will be better prepared to meet quality measures, improving health for patients. This capability will ultimately drive up the quality of care—and profits.

**THE IMPORTANCE OF REVENUE CYCLE MANAGEMENT (RCM)**

There is no question that good data is important to accountability—but it is worth more when that data can enhance revenue cycle management decisions, increase efficiency and profitability, and help drive the quality of care required in an ACO.

“ACOs are a real shift, encouraging wellness rather than simply treating disease,” says Castongia. “And when you are receiving a per-member-per-month payment, you have to learn how to manage a continuum of care with that fixed amount of reimbursement. That’s where strong revenue cycle management capabilities come into play.”

Within the ACO model, healthcare organizations are better positioned to mitigate the risks involved in non-traditional payment structures like the Medicaid Shared Saving Program when clinical and financial data come together in a stable, integrated manner.

**YOU NEED TO HAVE THE CAPACITY TO ADMINISTER NEW PAYMENT AND COMPENSATION SYSTEMS…**

“There is a need to integrate both clinical and financial systems across both practices and ambulatory care settings, and that sometimes involves multiple clinical systems. You need to have the capacity to administer new payment and compensation systems such as ACOs, bundling and capitation, both internally and externally. You need to be able to manage how payments are divided up, how you distribute bonuses between the various players,” says Segal. “And since ACOs will be responsible for financial and quality outcomes, you need to have good visibility in terms of who your patients are, whether they are getting the proper health reminders they need, and that appointments are getting scheduled.”
Segal states that there is no single ideal HCIT infrastructure for ACOs, but emphasizes the need for a strong revenue cycle management platform that can be integrated with clinical systems. To this end, Julie Castongia has had success using Centricity Business to help fuel Healthcare Partners’ move toward becoming an ACO.

“There’s a lot of data out there and we’re set up to get a lot of relevant clinical and claims experience data from our ACO partners,” she says. “Right now, we serve a primarily fee-for-service population in our ACOs. But we have the tools to help us adapt as new reimbursement models are introduced, whether we are talking about bundled payments related to specific conditions or other evolving capitated environments. And that is because we have a strong IT infrastructure in place with Centricity Business for revenue cycle and are able to understand the nuances involved in different contracts with access to the right data to manage them.”

Langdon states that good revenue cycle management is one of the core competencies necessary to any healthcare organization’s survival—whether it chooses to go with an ACO or not. But he maintains that organizations that are getting the most out of their ACO networks are the ones that are leveraging analytics to keep track of patient populations and identify subpopulations of enrollees who are prone to illness and integrate clinical information about how to treat both groups most effectively. Here is a case where technology solutions need to go beyond traditional revenue cycle management—seamlessly bringing together multiple data types to help support population health management.

Langdon also recommends systems that allow financial transparency across the continuum of care, spanning the physician groups, hospitals, and other healthcare entities that are part of an ACO network. “This level of visibility can be difficult to
achieve. Many of these organizations run on different systems. They have different electronic health records at different sites,” he says. “But unless you can see what’s going on in all of these organizations you can’t direct process improvement activities and make changes where they are needed. Institutions need to improve the facility with which they can link cost, quality, and revenue cycle data so they can understand where they are getting a return from their care and where they are losing money on it.”

Segal suggests that healthcare organizations view their revenue cycle management, administrative, and clinical systems with equal weight. “All will have a lot to say about an ACO’s ability to manage its patient population effectively, particularly in a context where patients can go outside the ACO to receive care.”

PREPARING FOR ACCOUNTABLE CARE—AND BEYOND

Some have argued that ACOs are fleeting, that spending money to adjust to a new healthcare paradigm that may not last is a poor investment. But Langdon argues that the fundamental underlying drivers behind ACOs are here to stay.

“I agree there is some ambiguity in this healthcare reform environment and the moving parts seem to be changing all at once,” he says. “Healthcare organizations should be proceeding to transform themselves to be simpler, to be more integrated, to be better equipped to link cost, quality, and revenue data together. These are the investments that will help organization thrive in whatever healthcare ecosystem eventually emerges.”

So where might organizations interested in leveraging ACOs begin? To start, they should pursue a fundamental change in orientation to a focus on accountability for the care of populations.

Langdon explains, “The proactive management of a patient population has a very different mindset than what has been dominant in most of the country for the last ten years or so. So getting into an environment where you are managing patient wellness and patient use of resources requires changes to how you manage access to hospitals. It’s necessary so you can be sure that you really are managing the quality of care people have before they come in, standards for how they’ll be cared for in the hospital and then doing the right level post-discharge follow-up and coordination with the patient’s primary care physician.”

He suggests that organizations make the right corporate
culture changes in order to build skills and improve processes supporting population health management. “It has to start with senior leadership—with a commitment to strategic clarity, to operational rigor, to teamwork. That foundation will enable organizations to develop efficient, repeatable processes to sustain and advance their strategy. From their, you can tailor your IT solutions to accelerate process performance, and to create the transparency necessary for you to drive ongoing improvement.”

Segal concurs—and emphasizes the need for good governance. “This is especially important when you bring in unaffiliated organizations into an ACO type model,” he says. “You’re going to need to have a commitment to change management. Internally, as an organization, while you are shifting incentives, you are going to have to shift your operations to align with those new incentives. You are going to have to set the example.”

But, of course, a successful ACO requires more than just good governance. It requires identifying the right partners to be part of your virtual business network and having a strong IT infrastructure in place. When asked about the kind of organization one should consider in an ACO model, Castongia recommends those that are innovative and flexible—with the information technology systems to back that up. “You need organizations that can make their data available to you as close to real time as possible,” she says. “We want to make sure that the right information is served up at the right time during any patient interaction. The closer we can get it to real time, the better we can manage that patient care—and the better off we are as an organization.”

Once partnerships are formed, Castongia champions engaging key players—patients, physicians, and other affiliated organizations and entities—from day one to ensure ACO success. “This is where creativity is important. You need to identify new ways to touch the patient at every level and come up with new and creative ways of engaging your staff and contractors, too.”

That process starts with educating stakeholders about the ACO model. For example, Healthcare Partners uses a variety of techniques to reach out to patients, including traditional marketing efforts as well as patient portal applications. “Patient engagement is a very important component of success,” Castongia says. “I think that patients may be a little fearful that somehow we’re taking away their choices or limiting their care. And if anything, ACOS are offering the opposite of that. So patient education and outreach is key.”

Providers may also require a good bit of outreach. “One of the ways we’ve been able to engage both our group physicians and our contracted physicians is through a physician portal,” she says. “The physician portal provides an integrated view of any patient and suggests the kind of preventive care that needs to be pursued. We find it makes a big difference.”

The preparations involved with good ACO strategy are not necessarily going to be direct drivers of payment. But, ultimately, establishing governance, selecting the right partners, updating infrastructure, and engaging with patients and providers in an easy and transparent fashion can only improve the quality of healthcare—and provider profits.
“It’s a very exciting time to be in healthcare,” says Castongia. “There are some challenges ahead but ACOs are a great opportunity for both provider communities and our patients. I’m hopeful that this is a model that will make a lot of sense, deliver integrated care, and will help patients lead longer, healthier lives.”

WHY ACO IS THE WAY TO GO

Many have complained that ACOs are only modern-day manifestations of health maintenance organizations (HMOs)—and that the risks for providers are simply too high. But the kinds of organizations that are Pioneer program participants have demonstrated that integrated, accountable healthcare organizations can succeed in delivering high quality care while better allocating healthcare dollars. Moreover, the ACO model has been designed to reduce the concerns of patients and providers with traditional HMOs. Given the clear drive towards accountable, integrated, population-focused care, Mark Segal believes that organizations that adopt ACOs early will be well placed to reap the benefits over time.

“With a clear shift in both the public and private sector towards accountable care and away from traditional fee-for-service, organizations that form or participate in an ACO will be able to manage quality and costs in ways that will ultimately help increase their total revenue and margins,” says Segal.

But he cautions that organizations must start planning now in order to see those positive financial impacts, even if they aren’t ready to adopt accountability models quite yet. “I think we’ve all seen in healthcare that acronyms and concepts can come and go. And I can’t say that ACOs will be called ACOs in two years—but the fundamental drivers behind the ACO movement are absolutely with us and will absolutely stay with us. Organizations who do not build and organize their technology around accountability for quality and cost are going to be left behind.”

Healthcare Partners, which has been using a coordinated care model for over 20 years, believes that ACOs will provide the impetus
to allow healthcare organizations to truly focus on overall health—and the prevention of illness.

“We’ve seen that coordinated care works very well for both the senior population as well as our Medicare Advantage plans,” says Castongia. “While it’s true that we assume as much risk as possible in this kind of model, it also means we are able to be a little more creative in the programs we come up with in our focus on preventive care. It gives us a real competitive advantage—and, ultimately, helps us help our patients stay healthy.”

HOW GE CAN HELP
Success in the ACO model depends on having the right revenue cycle systems in play. Centricity Business is a proven, next-generation revenue cycle management solution that not only supports traditional reimbursement models but is flexible enough to take on the changes that accountable care models will bring to the table.

This system will provide your organization with the right data at the right time—and ultimately help improve profitability. Centricity Business’s core financial offerings include powerful billing and receivables systems as well as managed care applications. Taken together, these tools can both help your organization integrate inpatient and ambulatory revenue cycle management across multiple locations and support multiple reimbursement models with ease and versatility.

Beyond power, Centricity Business also offers exceptional performance. Centricity Business clients have come to expect automated, exception-based workflows that provide accelerated revenue collection, easy management of patient access and patient responsibility and, most importantly, improved overall financial performance. Centricity Business is enterprise-ready and able to interoperate with virtually any EMR or clinical system.

As Langdon stated, the drivers behind accountable care are here to stay. Is your organization ready?

For more information on Centricity Business visit: http://www.gehealthcare.com/centricitybusiness

Centricity Business is a proven, next generation healthcare revenue cycle management solution that supports traditional and accountable care reimbursement models for greater profitability, efficiency and enhanced quality of care.

¹ https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html?redirect=/sharedsavingsprogram/