ACCOUNTABLE CARE: WHAT WE KNOW

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BACKGROUND

Effective Care: Benefit clear for all
Reperfusion in 12 hours (Heart attack)
Aspirin at admission (Heart attack)
Mammogram, Women 65-69
Pap Smear, Women 65+
Pneumococcal Immunization (ever)

Preference Sensitive: Values matter
Total Hip Replacement
Total Knee Replacement
Back Surgery
CABG following heart attack

Supply Sensitive: Often avoidable care
Total Inpatient Days
Inpatient Days in ICU or CCU
Evaluation and Management (visits)
Imaging
Diagnostic Tests

Ratio of rate in high spending to low spending regions

Bar on this side indicates higher spending regions get more of the indicated form of care.

Source: The Dartmouth Atlas
BACKGROUND

Underlying Problem

Confusion about aims: Is it about money or something more?

Absent or poor data leaves practice unexamined and unable to improve; choices uninformed by evidence.

Flawed conceptual model: Health is produced by face-to-face visits with physicians. Care is fragmented.

Wrong incentives reinforce model, reward fragmentation, induce overuse of unnecessary care.

Key Principles

Clarify aims: Better health, better care, lower costs – for patients and communities.

Better information that engages physicians, supports improvement; informs consumers and patients.

New model: It's the system. Establish organizations capable of redesigning practice and eliminating waste.

Rethink our incentives: Realign incentives – both financial and professional – with aims.

WHERE ARE ACOS?

Total Number of ACOs per Hospital Service Area, August 2012

Lewis et al., Health Services Research, 2013.
WHERE ARE ACOS?

Key characteristics | Percent of local areas with an ACO present
--- | ---
**Poverty rate**<br>Low poverty area | 27%
High poverty area | 16%
**Rural vs. urban**<br>Entirely rural area | 13%
Entirely urban area | 28%
**Region**<br>South | 14%
Midwest | 23%
West | 26%
Northeast | 29%

Lewis et al., Health Services Research, 2013. Regression adjusted percentages of local areas with ACOs by key characteristics; key characteristics are compared at low values (mean of lowest quintile) and high values (mean of highest quintile).

WHERE ARE ACOS?

Key characteristics | Percent of local areas with an ACO present
--- | ---
**Quality score – chronic disease management**<br>Low quality area | 12%
High quality area | 29%
**Cost of care per beneficiary**<br>Low cost of care area | 17%
High cost of care area | 25%
**Hospital bed supply**<br>Low supply area | 29%
High supply area | 14%
**Number of primary care groups**<br>Small number of groups | 24%
Large number of groups | 16%
**Managed care penetration**<br>Low penetration | 16%
High penetration | 27%

Lewis et al., Health Services Research, 2013. Regression adjusted percentages of local areas with ACOs by key characteristics; key characteristics are compared at low values (mean of lowest quintile) and high values (mean of highest quintile).
WHAT ARE WE LEARNING?

FQHC Urban Health Network
Coalition of 10 independent federally qualified health centers; 40 service sites extending through seven Minnesota counties

Walgreens
Three MSSP ACOs in partnership with health systems and physician organizations in FL, NJ, and TX

EARLY RESULTS

<table>
<thead>
<tr>
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<th>Overall</th>
<th>Duals</th>
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<tr>
<td>All PGP</td>
<td>$114</td>
<td>$532</td>
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<tr>
<td></td>
<td>(1%)</td>
<td>(5%)</td>
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<td>Marshfield</td>
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<td>$987</td>
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<td></td>
<td>(9%)</td>
<td>(11%)</td>
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<tr>
<td>D-H</td>
<td>-$132</td>
<td>$397</td>
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<tr>
<td></td>
<td>(-2%)</td>
<td>(3.2%)</td>
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**EARLY RESULTS**

### Pioneer ACO Program

- **13 Pioneer ACOs** shared savings ($87.6 million)
- **2 Pioneer ACOs** shared losses ($4.0 million)
- **30 Pioneer ACOs** staying or shifting to MSSP
- **2 Pioneer ACOs** leaving program

Costs for patients attributed to the Pioneer ACOs grew by only **0.3 percent** vs. **0.8 percent** for similar beneficiaries in the same period.

**WHAT ARE WE LEARNING?**

1. Safety net providers are part of a substantial number of ACOs.
2. ACOs are more diverse than we might have expected.
3. A lot of new partnerships are forming.
4. ACOs are trying a variety of strategies to improve care and costs.
5. ACOs’ use of cost and quality data is transforming how providers think about delivering care.
6. Physicians have a strong leadership presence in ACOs.
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