



BIPARTISAN POLICY CENTER

# ACOs and Pharmacists

STRATEGIC OPPORTUNITIES IN A CHANGING MARKETPLACE

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# Overview

- ACO Basics
- Current environment and progress
- Strategic Opportunities for Pharmacists
- Real World Applications
- Legal Barriers

# Health System Transformation

- **Current system is unsustainable:**
  - Millions uninsured
  - Inconsistent care quality and patient safety
  - Skyrocketing costs
- **Solution?**
  - Purchasing value over volume
  - Care coordination and team-based care
  - Evidence-based medicine
  - Prevention and disease management
  - Provider accountability
  - Use of health IT

# Key Trends



- System moving toward greater provider integration
- New high performing health systems and models of care delivery
- Opportunities:
  - Establish presence in new marketplace
  - Positive impact on patient care and quality of life

# Accountable Care Organizations

- **What is an ACO?**

- Affiliated group of providers held accountable for the cost and quality of care they deliver to a defined patient population

- **Goal of ACO**

- Move away from FFS reimbursement
- Lower costs while improving care quality
- Hold providers accountable

# ACO Structure

- Can include many different provider entities
- Commonly physicians affiliated via hospital or large multi-specialty group
- Opportunity for pharmacist involvement across multiple settings



# ACO Reimbursement



- ACOs receive payments for meeting cost and quality targets
- Targets negotiated with payer
- Options for varying levels of risk:
  - Low risk (FFS + bonus)
  - Higher risk (partial capitation – global payments, must hold cost below target)

# Current Progress

- **Medicare Shared Savings Program (MSSP)**
  - Created by PPACA (also Pediatric Medicaid ACO)
  - Proposed rule April 7, 2011 criticized by stakeholders as too risky, very low reward
  - Final rule October 20, 2011 better received: less restrictive, less risk, greater payments
  - FTC and DOH released complementary guidance: no mandatory antitrust reviews
  - Will begin April or July 2012

# Cautionary Tale

- **Evanston Northwestern Healthcare**
  - Evanston purchased smaller rival Highland Park Hospital
  - Used leverage to charge insurers more
  - Raised prices by 48% in a few years
  - FTC ruled merger anticompetitive



# MSSP: Interim vs. Final Rule

	<b>Proposed Rule</b>	<b>Final Rule</b>
<b>Risk</b>	All two-sided in year three	Two-sided risk optional
<b>Shared Savings</b>	Minimum 2 percent threshold	First dollar savings
<b>Patient Attribution</b>	Retrospective	Prospective
<b>Quality</b>	65 measures; five HIT	33 measures; one HIT
<b>Antitrust</b>	Mandatory review	Voluntary review

# Pioneer ACOs



- Early response to MSSP provoked two new initiatives from CMS Innovation Center:
  - **Advanced Payment ACO Model:** provides additional support and start up resources (ie: HIT, staff) for new ACOs
  - **Pioneer ACOs:** fast track for already advanced provider organizations to participate with CMS as ACOs

# Pioneer ACOs

- 32 organizations received designation
- 18 states for up to 5-year periods
- **Breakdown:**
  - Hospitals are key players in 22
  - 16 are integrated delivery systems
  - 4 hospitals-physician partnerships
  - 2 individual practice associations (IPAs) affiliated with hospitals
  - 10 predominately IPAs

# Pioneer ACOs

- Allina Hospitals & Clinics
- Atrius Health
- Banner Health Network
- Bellin-Thedacare Healthcare Partners
- Beth Israel Deaconess Physician Org.
- Bronx Accountable Healthcare Network
- Brown & Toland Physicians
- Dartmouth-Hitchcock ACO
- Eastern Maine Healthcare System
- Fairview Health Systems
- Franciscan Alliance
- Genesys PHO
- Healthcare Partners Medical Group
- Healthcare Partners of Nevada
- Heritage California ACO
- JSA Medical Group, a division of HealthCare Partners
- Michigan Pioneer ACO
- Monarch Healthcare
- Mount Auburn Cambridge IPA
- North Texas ACO
- OSF Healthcare System
- Park Nicollet Health Services
- Partners Healthcare
- Physician Health Partners
- Presbyterian Healthcare Services – Central New Mexico Pioneer ACO
- Primecare Medical Network
- Renaissance Medical Management Company
- Seton Health Alliance
- Sharp Healthcare System
- Steward Health Care System
- TriHealth, Inc.
- University of Michigan

# Pharmacist Involvement

## Many areas to add value:

- Ensuring appropriate medication use
- Reducing medication-related adverse events
- Preventing hospital readmissions
- Helping patients manage chronic conditions
- Patient counseling, Q&A strengthens effectiveness of care team



# Pharmacist Involvement cont.



- Collaborative drug therapy:
  - Pharmacist/prescriber team
  - Establish guidelines authorizing pharmacist to initiate, modify or continue drug therapy for specific patient
  - Possible in most states
- Add value through research, ease burden on PCPs
- Work on disease-specific issues: help manage patient population

# MSSP Quality Metrics

## **Must meet minimum compliance levels across 33 metrics for reimbursement:**

- Pharmacists key for numerous metrics:
  - *Medication Reconciliation: Reconciliation After Discharge from an Inpatient Facility*
  - *Diabetes Composite (All or Nothing Scoring): Aspirin Use*
  - *Hypertension (HTN): Blood Pressure Control*
  - *Ischemic Vascular Disease (IVD): Use of Aspirin or Another Antithrombotic*
  - *Coronary Artery Disease Composite: Drug Therapy for Lowering LDL-Cholesterol*
  - *Heart Failure: Beta-Blocker Therapy for Left Ventricular Systolic Dysfunction*

# Real-World Examples

- **Baylor Health Care System**
  - ACO + Medical Home
  - Medication assistance program: pharmacists help indigent patients at a high risk for readmission apply for free meds from manufacturers
- **Carilion Clinic**
  - Pharmacists focus on high-risk patients w/ complex med profile (ie: end-stage chronic heart failure)
- **CIPA Western New York IPA, Inc**
  - Integrates pharmacist services w/ physician group
  - Provide direct patient care, expanding pilot

# Pioneer ACO: Monarch Healthcare

- Large, physician-led IPA in CA
  - Launching ACO for 25,000 Anthem PPO patients in Orange County
- Key attributes:
  - strong executive leadership
  - trust and transparency in partnerships
  - use of care navigators and physician champions
  - economies of scale across the physician network
- Provide care coordination and care navigation support



# Monarch Healthcare & Pharmacy

- **Use of Pharmacists:**
- EHR system links with labs, pharmacies, imaging services, and appt. reminder tools
  - Patients can request medication refills via online portal
- Interdisciplinary “Touch Teams”
  - Coordinate patient transition from hospital to home and make home visits
  - Nurse Practitioner, Case Manager, Social Worker, & Pharmacist
- Medication reconciliation key aspect of case management
- Medication management part of ACO shared savings quality guide

# Legal Barriers

- ACOs must carefully navigate boundary between collaboration to improve care and collusion that violates laws:
  - Antitrust
  - Civil Monetary Penalty
  - Anti-kickback
  - Stark Ethics in Patient Referral
  - Fraud and abuse
- Working to resolve:
  - OIG Advisory Option





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