

# What is an Accountable Care Organization?

## Overview

An Accountable Care Organization (ACO) is a group of health care providers, with collective responsibility for patient care that helps coordinate services – delivering high quality care while holding down costs\*.

The ACO model creates an incentive for providers to efficiently and effectively manage the health of their patients regardless of where the patient receives care.

Innovation lies in the flexibility of their structure, payments and risk assumption (i.e., how much “skin in the game” they have in terms of controlling costs and improving quality). That structure is likely to include Primary Care Providers (PCPs), specialists, a hospital, and other provider and community agreements/partnerships.

## Examples of National ACO Models

### 1) Medicare Shared Savings Program (MSSP),

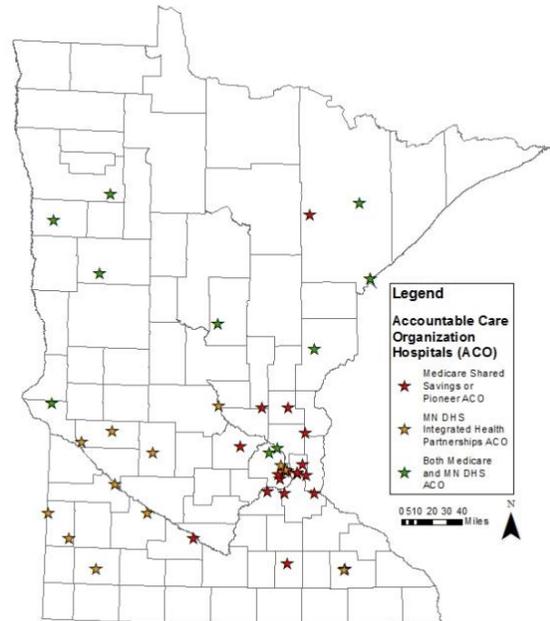
Center for Medicare and Medicaid Services (CMS)

Eligible providers, hospitals, and suppliers participate in ACOs to improve the quality of care for Medicare Fee-For-Service (FFS) beneficiaries and reduce unnecessary costs. Advance Payment ACO Models provide supplemental support from the Center for Medicare and Medicaid Innovation (CMMI) to physician-owned and rural providers for start-up resources to build the infrastructure (staff, information technology systems, etc.). Minnesota MSSP sites include Essentia Health, HealthEast Care System and Entira Family Clinics.

### 2) Pioneer ACO Model - For early adopters of ACOs,

CMMI

Designed to support organizations with experience operating as ACOs - or in similar arrangements - in



providing more coordinated care to beneficiaries at a lower cost to Medicare. The Pioneer ACO Model will test the impact of different payment arrangements in helping these organizations achieve the goals of providing better care to patients and reducing Medicare costs. Minnesota Pioneer ACO sites include Fairview Health Services, Park Nicollet, and Allina Health.

\*Robert Wood Johnson Foundation

## TRIPLE AIM GOALS

- Improving the experience of care
- Improving the health of populations
- Reducing per capita costs of health care

## Minnesota Medicaid ACO Models

### 1) Integrated Health Partnerships (IHPs)

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### 2) Hennepin Health

A safety-net ACO integrating social services and behavioral health

### 3) Integrated Care System Partnerships (ICSP)

MCO-Provider partnerships for seniors and people with disabilities

## Minnesota's Medicaid ACO Demo (IHP)

Includes 145,000 total enrollees

IHP	Geographic Area	Size (# Attributed)
Centra Care	Central MN, North of Metro Area	11,037
Children's Hospital	Minneapolis/St. Paul Metro Area	16,066
Essentia Health	Duluth, NE MN	30,485
FQHC Urban Health Network (10 FQ's)	Minneapolis/St. Paul Metro Area	23,757
Hennepin Healthcare System (HCMC)	Minneapolis/St. Paul Metro Area	24,558
Mayo Clinic	Rochester/SE MN	5,985
North Memorial	Minneapolis/St. Paul Metro Area	3,824
Northwest Health Alliance (Allina/Health Partners)	Minneapolis/St. Paul Metro Area	12,194
Southern Prairie Community Care	Marshall/ SW MN	17,947

## Commercial ACO/Total Cost of Care (TCOC) Arrangements

With commercial ACO/TCOC agreements, health care providers and systems participate in a range of different delivery and payment arrangements aimed at achieving the Triple Aim. Agreements may include performance based on outcomes/quality and cost; varying levels of financial risk from shared savings to sub-capitation. Arrangements can be across multiple populations (self-insured, commercial and government) for some models.

## Contact

CONTACT THE MDH SIM TEAM AT 651-201-3751.

## MINNESOTA ACCOUNTABLE HEALTH MODEL – SIM MINNESOTA

In February 2013 the Center for Medicare and Medicaid Innovation (CMMI) awarded Minnesota a State Innovation Model (SIM) testing grant of over \$45 million to use across a three-year period.. The goal is to help its providers and communities work together to create healthier futures for Minnesotans.

Minnesota's SIM initiative is a joint effort between the Department of Human Services (DHS) and the Department of Health (MDH) with support from Governor Mark Dayton's office.

Minnesota will use the grant money to test new ways of delivering and paying for health care using the Minnesota Accountable Health Model framework.

The goal of this model is to improve health in communities, provide better care, and lower health care costs by expanding patient-centered, team-based care through service delivery and payment models that support integration of medical care, behavioral health, long-term care and community prevention services.

### Minnesota Accountable Health Model Budget Project Totals

\$45.2 million over 3.5 years.

