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)
   Listed on page 2

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

July 2014
Minnesota’s Medicaid ACO Demo (IHP)

Includes 145,000 total enrollees

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<tr>
<th>IHP</th>
<th>Geographic Area</th>
<th>Size (# Attributed)</th>
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<tbody>
<tr>
<td>Centra Care</td>
<td>Central MN, North of Metro Area</td>
<td>11,037</td>
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<td>Children’s Hospital</td>
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<td>Essentia Health</td>
<td>Duluth, NE MN</td>
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<td>FQHC Urban Health Network (10 FQ’s)</td>
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<td>Hennepin Healthcare System (HCMC)</td>
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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

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