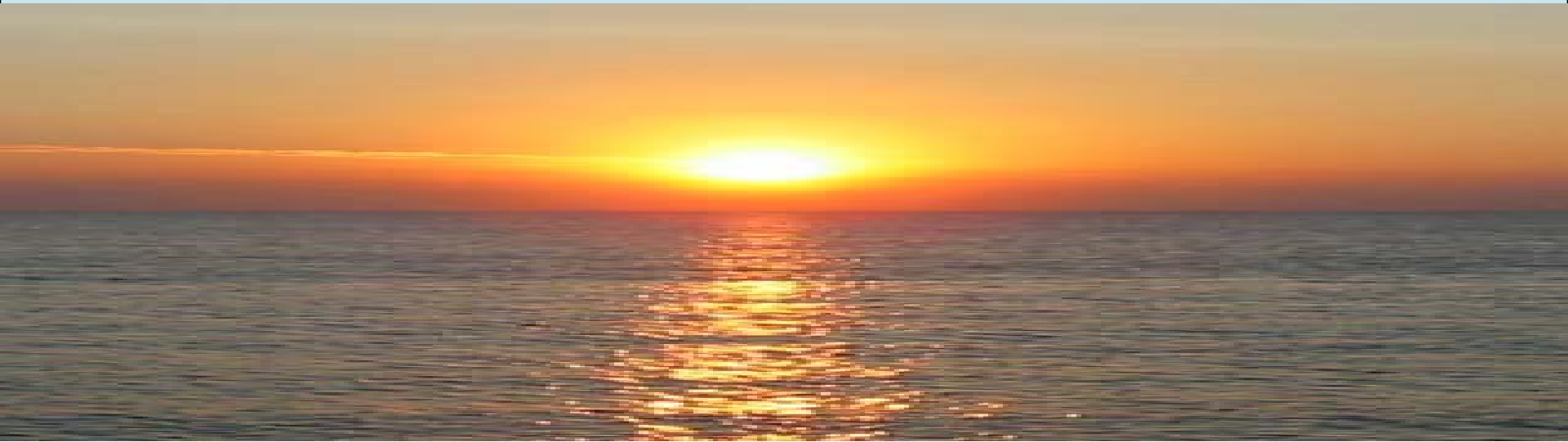




ROBERT WOOD JOHNSON
PARTNERS



Accountable Care for New Jersey

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STFM
April 2011



RWJ Partners: an ACO story

- **ACOs & the opportunity for Family Medicine**
- **How do you begin?**
- **Building a business plan**
- **Managing your other job**
- **Working with internal & external stakeholders**
- **Dealing with roadblocks**
- **Convincing & enlisting the 'rich & powerful'**
- **Generating momentum, getting to the launch pad**

The Argument & Opportunity for AHCs

Commentary

Commentary: **Academic Health Centers as Accountable Care Organizations**

Alfred F. Tallia, MD, MPH, Peter S. Ament, MD, PhD, and Stephen K. Jones, FACHE

Abstract

Academic health centers (AHCs) have opportunities to advance the agenda of U.S. health care reform by tying the needs of populations to the AHCs' missions and areas of expertise. Serving as accountable care organizations and

advancing the agenda of the patient-centered medical home are two important potential actions AHCs can take. By fostering discovery, learning, and care through rational organizational structures that meet the needs of

populations and bend the curve of growing health care expenditures, AHCs can lead health care reform in the 21st century.

Acad Med. 2010; 85:766–767.

AHCs as ACOs

- **Why rock the boat? Unsustainability of current economic model !!**
- **Danger of shrinking market share based on cost, not quality decisions**
- **Danger of losing capacity to cross fund AHC discovery & education missions**

AHCs as ACOs

- AHCs can sustain their advantage by aligning regional populations & lives through ACOs
- Linking AHC research, education, & clinical care missions to needs of local communities through ACOs re-enforces AHC value
- AHCs are uniquely positioned to address workforce needs of new models of team based learning required in ACOs
- AHCs are the consummate research engines to test new models of care such as ACOs

AHCs as ACOs

- **Family Medicine can & should lead this effort**
- **Linking AHC research, education, & clinical care missions to needs of local communities through ACOs is a natural job for FM by virtue of fit**
- **FM departments are uniquely positioned at the nexus of many of the health system changes & as the link to the world external to AHCs**

How do you begin?

- Define the entity
- Have a Vision
- Assemble a team

ACOs: the Essentials

Patient Centered Care

- Primary care practices clinically integrated with hospitals, specialists & other parts of system to provide Patient Centered comprehensive care
- Tools & processes to foster collaboration & clinical integration of patient information & care delivery

Local Accountability

- Foster provider accountability for quality & per capita patient cost

Standardized Performance Measurements

- Increased quality & health improvement through monitoring & reporting patient information & providing analytics to support intervention

Payment Reform

- Care Management fees for primary care physicians to provide a coordinated approach to patient care
- Savings to encourage collaboration & shared responsibility

PCMH - Essentials

Superb Access to Care

- Patients can easily make appointments & select the day & time.
- Waiting times are short.
- eMail & telephone consultations are offered.
- Off-hour service is available.

Patient Engagement in Care

- Patients have the option of being informed & engaged partners in their care.
- Practices provide information on treatment plans, preventative & follow-up care reminders, access to medical records, assistance with self-care, & counseling.

Clinical Information Systems

- These systems support high-quality care, practice-based learning, & quality improvement.
- Practices maintain patient registries; monitor adherence to treatment; have easy access to lab & test results; & receive reminders, decision support, & information on recommended treatments.

Care Coordination

- Specialist care is coordinated, & systems are in place to prevent errors that occur when multiple physicians are involved.
- Follow-up & support is provided.

Team Care

- Integrated & coordinated team care depends on a free flow of communication among physicians, nurses, case managers & other health professionals (including BH specialists).
- Duplication of tests & procedures is avoided.

Patient Feedback

- Patients routinely provide feedback to doctors; practices take advantage of low-cost, internet-based patient surveys to learn from patients & inform treatment plans.

Publicly available information

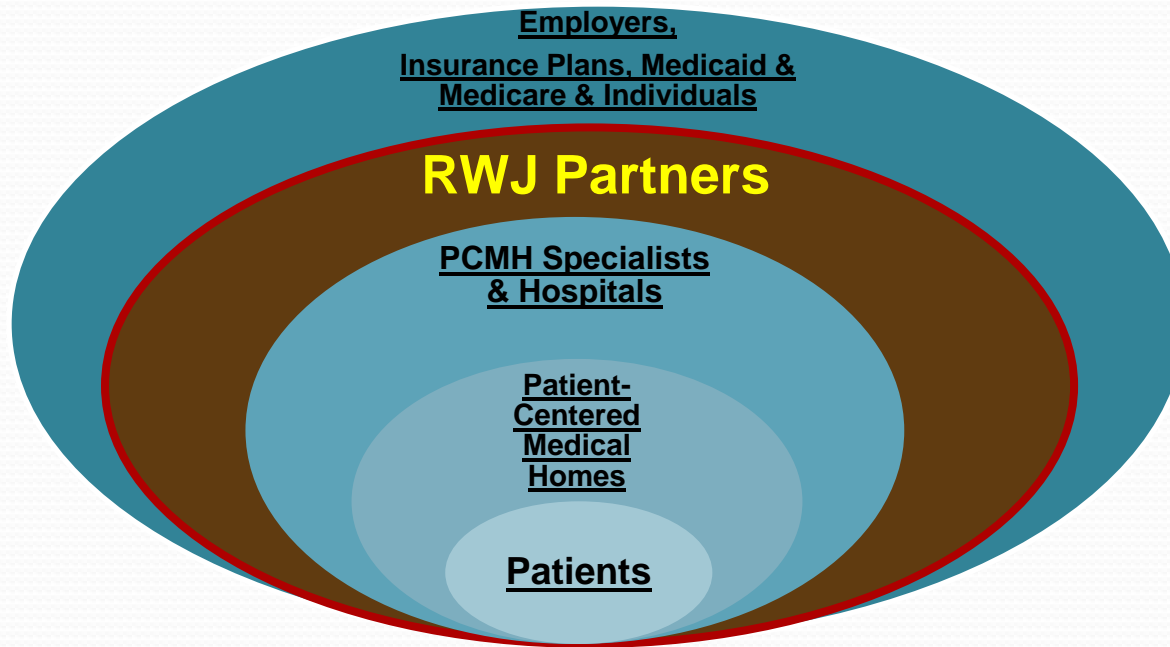
- Patients have accurate, standardized information on physicians to help them choose a practice that will meet their needs.

RWJ Partners Business Model

Vision: Build the finest 21st century integrated delivery system for New Jersey providing:

- High quality **patient centered care** integrating full spectrum of stakeholders in healthcare eco-system
- **Accountability for quality & costs**
- Advanced **patient centered primary care** - accessible, comprehensive, coordinated, family-centered, compassionate & culturally effective
- **Payment reform** & incentives to transform delivery
- **Tools & processes** to foster **collaboration & clinical integration** of care delivery
- **Performance measurement & transparent reporting** for all members
- **Integrated view of patient information** from advanced, in-home & outpatient primary care, to high-tech, leading-edge inpatient quaternary care

RWJ Partners Business Model



- A membership organization of primary care physicians, specialists, hospitals, employers & patients for New Jersey
- A not-for-profit University affiliated Accountable Care Organization
- Responsible for managing the full continuum of care for a defined population through its member providers

Assemble a Team

- **Expertise:**
 - **Know your Strengths & Weaknesses**
 - **Financial modeling**
 - **New Business Development**
 - **Information Technology**

Building an ACO Business Plan

- Know your local market!
- Develop a Stakeholder list
- Meet with all the Stakeholders
- Listen, be open to multiple viewpoints
- This takes time, but is time well spent

Building an ACO Business Plan

- Define the business
- Identify your Talent
- What is the opportunity in your market?
- How do you solve the problem?
- What's the competition/ how are you different?
- What's your business model?
- Define what you need for start-up
- Refine the Message & the Ask

RWJ Partners: Market Findings

- Accelerating number of successful PCMH & ACO initiatives in multiple states & in NJ
- Currently have a strategic advantage, but not for long
- NJ's budget deficit & economic crisis exacerbated by fragmented, costly, & lower quality health care system
- Greatest traction & focus in Central New Jersey but opportunity to be a state-wide resource
- Environment provides leadership opportunity
- PCMH models of care combined with ACOs are providing cost reductions (5% - 20%) & improved patient outcomes
- Strong support to proceed: University, Governor's office, Local stakeholders

SWOT ANALYSIS: Bringing RWJ Partners to Market

| STRENGTHS | WEAKNESSES |
|---|--|
| <ul style="list-style-type: none"> ○ Reputation in market ○ Leadership in patient advocacy in health ○ RWJMS resources ○ Strong core competencies in clinical care & research ○ Expertise in behavioral health & geriatrics ○ Strong commitment from primary care physicians to working with RWJ Partners ○ Strong political connections state/employers/health plans ○ Strong PCMH expertise ○ Leadership in practice transformation ○ RWJMG strong base of subspecialists | <ul style="list-style-type: none"> ○ Start-up funding for next 2-3 years ○ Complexities of fragmented system ○ Complexity of data environment including reliability & integration ○ IT challenges: Number of applications to be integrated ○ Ability to gain plan participation in payment reform |
| OPPORTUNITIES | THREATS |
| <ul style="list-style-type: none"> ○ Can provide some relief to State budget crisis ○ Opportunity to lead health care reform at the state level ○ PCPs poised for change ○ HC situation in NJ is one of the worst in US ○ Potential opportunity to care for SHB employees ○ Shortage of PCPs ○ NJ payers focused on health care value as an issue ○ CMS funding for pilots ○ Nation focused on reducing health costs & improving quality ○ Strong employer support | <ul style="list-style-type: none"> ○ Health plans delay engaging ○ Plans or other hospitals gain greater momentum in creating ACO & fragment market ○ Legal uncertainties ○ Timely feedback & data from participants ○ Sub-optimal coordination of care with specialists & hospitals ○ Patient preferences & leakage from system |

Managing your daytime Job

- **Strong intradepartmental supports**
 - **Vice Chair; Administrator**
 - **Strong Program Leaders**
 - **Understanding faculty**
 - **Staff support**
- **Enlist Strong Support from your Dean**
- **Enlist Strong support from University leadership**
- **Have a Communication strategy**

Working with Internal & External Stakeholders

- Define & Characterize the Key ACO Stakeholders: supportive, neutral, oppositional
- Know their needs & sources of power
- Roll out information & the message strategically
 - E.g. Insurers, specialists
- Have a timeline in your head, but one that's flexible
- Repetitio est mater sapientia

The Robert Wood Johnson AHC – Internal Stakeholders

- Robert Wood Johnson Medical School
- Robert Wood Johnson Medical Group
- Robert Wood Johnson University Hospital
- Robert Wood Johnson Health System

RWJ Medical School

- Part of the UMDNJ, state wide health sciences university
- Based in New Brunswick, center part of state
- 2,800 full-time & volunteer faculty
- 22 basic science & clinical departments
- 1500 students in undergraduate, GME, post-graduate programs
- Cancer, Child Health, Environmental & Occupational, Cardiovascular Institutes co-located with RWJUH but owned by RWJMS

RWJ Medical Group

- 600 physician multispecialty faculty practice plan
- Largest medical group in the state
- Excellent but small primary care workforce
- Small geographic footprint
- Was burdened by Silo-ed, antiquated funds flow model (eat what you kill)
- Strong new leadership with vision of integrated group model, new funds flow

RWJ University Hospital

- 700 bed tertiary/quaternary teaching hospital
- Integrated children's hospital
- Separate community governance & ownership
- Community physicians make up significant minority of admissions
- Clinical services administered & run by the medical school

RWJ University Health System

- **Four hospital system including RWJUH tertiary/quaternary teaching hospital**
- **Integrated PSE&G Children's Specialized Hospital, two community hospitals: RWJUH-Rahway, RWJUH-Hamilton**
- **Health System Board for governance**
- **Community physicians make up significant majority of admissions**

How will RWJ Partners benefit the Robert Wood Johnson AHC?

- Future is in caring for populations/lives
- Preserves & grows market share as a 3°/ 4° center
- Stabilizes our physician population
- Aligns interests of all our key healthcare stakeholders
- Preserves & funds the academic mission
- Provides a return on the 'downside' of cost reduction
- Builds on & Raises the quality of care for patients, families, & communities

Building the ACO Model

- Define the patient & provider populations
- Figure out what services the ACO is going to provide, develop a plan for delivery, & test the market constantly
- Build the financial assumptions that will make the plan work
- Define the Value proposition for the ACO customers: quality & cost
- Work off of data bases of existing evidence: demonstrate why success is possible & probable

RWJ Partners Core Services

PCMH Care
Services

Provision of Services in Support of Physicians & Patients: Care Programs, Practice Transformation, Integrated Patient Information

Community
Activation &
Collaboration
Programs

Work with Communities to Improve Health Provision of Services in Support of Community & Clinical Collaboration & Program Integration

Patient
Empowerment

Provision of Services in Support of Patient Access to Care Team, Education, Self-Help, Health Information & Community Resources

RWJ Partners
Health
Information &
Analytics

Aggregated Patient Information for Use by Patient, Care Team & Practice. Metrics & Analytics to Evaluate Quality, Performance, Individual & Population Outcomes

Embed pilots in the ACO

- Acknowledges ACOs will evolve
- Acknowledges the many uncertainties around ACOs
- Creates a learning organization, provides research opportunities

Get the money right

- **Make sure your financial assumptions are valid**
- **Define the funds flow**
- **Build in financial flexibility/ elasticity**
- **Do not underestimate capitalization costs**
- **Create expected, worst, & best case scenarios**

RWJ Partners: Member Benefits

PCPs:

Shared Savings
Care Management Fees

Specialists:

Shared Savings
Defined Patient Population

Hospitals:

Shared Savings
Defined Patient Population

Insurers:

Market Share
Cost Reduction

Employers:

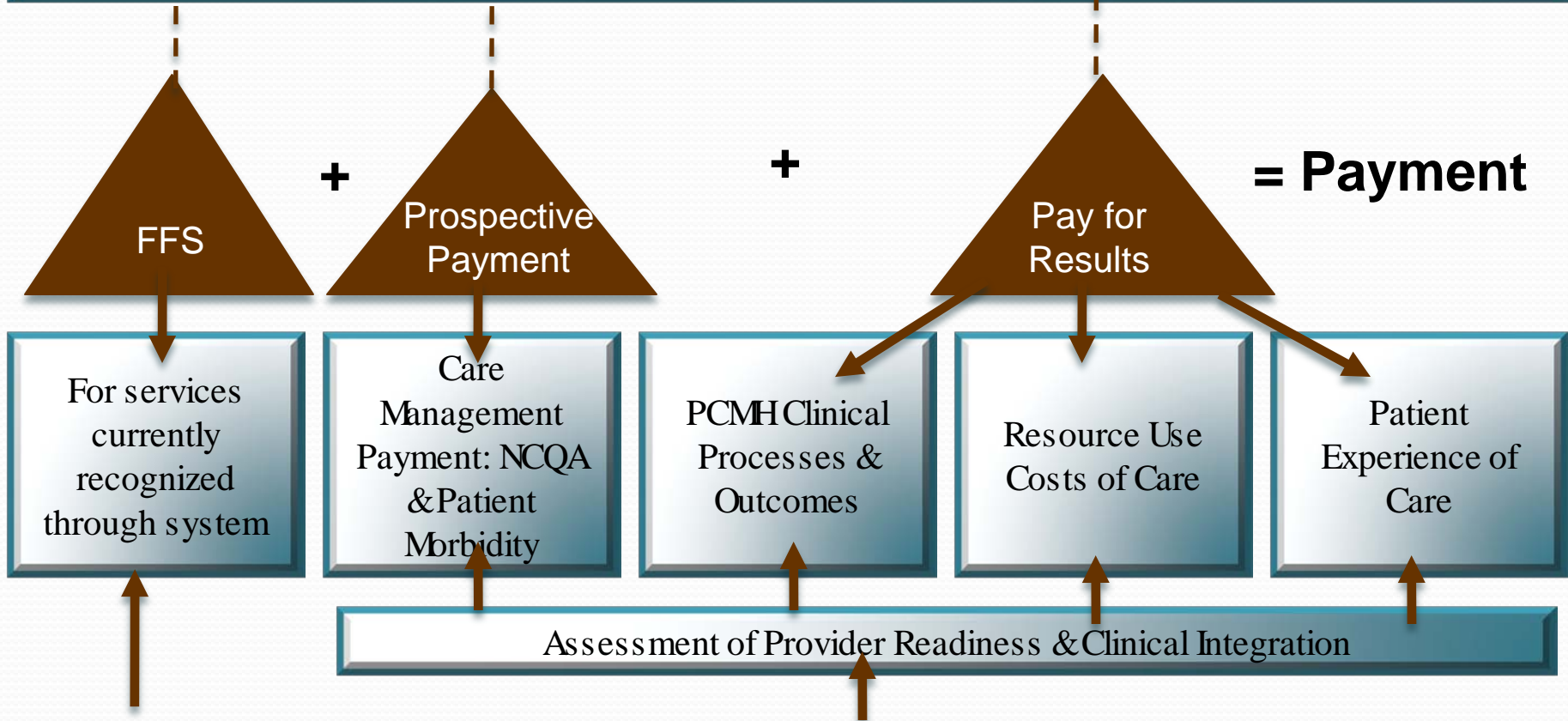
Shared Savings
Healthier Employees/More
Productivity

Patients:

Waiver of co-pays, fees
Better health, increased
access, PCMH benefits

RWJ Partners PCMH Payment supports Practice Transformation, Care Coordination & Value

RWJ Partners PCMH Blended Payment Methodology



Support from ACP, AAFP, AOA, AAP, PCPCC, Blue Plans, Employers, Consumer Advocates

Expect Roadblocks

- **Build coalitions**
- **Develop leverage**
- **Use personal relationships**
- **Think outside the box; work inside**

Convince & enlist the 'rich & powerful'

- Engage the power elite early
- Share the Reward; promise to Take the Blame
- Sometimes it's Better to ask for Forgiveness than Permission
- Stage some quick wins
- Nothing works like success; Make it theirs

Generating Momentum/ Getting to the Launch pad

- Use national & local news effectively
- Stage information sharing events
- Massage & message your key supportive stakeholders
- Use the usual venues effectively
 - Grand rounds
 - Lectureships/Symposia
 - Meetings

ACOs

- **An extraordinary opportunity for Family Medicine to Lead by putting the Patient First**
- **Perfectly Fit by virtue of our place in academic health centers: the bridge to the many**
- **Expertise in leadership & interpersonal skills necessary to effect change**
- **Seize the opportunity**