



## Northern California ACO to be a Model for National Efforts

By J. Kersten Kraft, MD and Aldo De La Torre

**N**orthern California has its first formal ACO – the result of a partnership between Anthem Blue Cross and the Individual Practice Association Medical Group of Santa Clara County (SCCIPA). It is an important milestone that has wide-ranging benefits for patients and providers in the region.

Nationally, for those eager to dive into a coordinated and patient-centered model of care delivery, this commercial ACO may serve as an adaptable blueprint for the US healthcare industry.

Launching in the fourth quarter of 2011, the ACO is an exciting culmination of hard work and “lessons learned” from both Anthem and SCCIPA. Initially, approximately 25,000 of Anthem’s PPO members will have the opportunity to experience the benefits of coordination and collaboration between provider, payer, and patient -- all facilitated by a highly interactive HIT platform designed for exactly this purpose.

### From Coordinated Care to ACO

HITECH and various provisions of the Patient Protection and Affordable Care Act, including the Medicare Shared Savings Program, have outlined the need for stakeholders to provide and manage patients across the full continuum of care. At the core of these initiatives is the need for greater coordination and communication among stakeholders. Both SCCIPA and Anthem, however, were setting the foundation for coordinated care delivery, and their resulting ACO, years before healthcare reform was introduced.

A decade ago, SCCIPA, as a risk-bearing organization, realized it needed to revamp its administrative and clinical activities to reduce costs, but also to increase quality of care in a highly competitive region. It began by implementing a patient-centered, yet physician-focused, HIT initiative — one that started with secure web based communication across the network of more than 850 physicians and provider organizations. By integrating with the office workflow, authorizations and referrals were easy for the physicians and offered immediate transparency that helped remove waste while ensuring that the best care to the patient was delivered efficiently. Quickly ridding itself of burdensome faxes and hardcopy documents, SCCIPA moved on to further develop case and quality management features for its IT platform — one that, to date, has realized significant cost and quality savings and made it an attractive potential partner for Anthem.

Likewise, Anthem was continually refining its offerings to members and listening to its members’ concerns. Knowing that so much waste in healthcare can be attributed to a disconnect between primary care physicians, specialists, and hospitals, — and often times, the patient — Anthem was on the lookout for provider groups that were leading the charge in organizing and promoting information exchange and collaboration.

Recently, SCCIPA’s technology efforts went a step further. A critical piece of the IPA’s coordination efforts was launched in mid-2010, when it added a clinical care management feature to its HIT platform. Armed with this critical functionality, SCCIPA providers now have access to clinical information — in the form of a continuity of care document (CCD) — to help providers in their medical decision making.

### Ingredients for success

Prior to the partnership, both SCCIPA and Anthem wanted to achieve the holy grail of lower costs with higher quality of care. Leadership at each organization knew the ingredients for success:

- 1) enable coordination and communication between provider, patient, and payer, with the patient experience in the forefront coupled with an unwillingness to compromise on physician efficiency;
- 2) structure provider incentives and risk-sharing agreements based on quality outcomes; and
- 3) invest in enabling information technologies.

In addition to their similar ideologies, SCCIPA and Anthem knew they had the experience and compatibilities to enter into a formal ACO arrangement. The IPA has a large and well-known network of nearly 290 physicians, 550 specialists, and 10 acute care hospitals in the Silicon Valley.

**Northern California ACO...continued**

Each of these individual providers is connected through the organization's web-based portal, which empowers them with patient data and enables information sharing through secure messaging. Also, because the IPA is risk-bearing, member providers were accustomed to the concept — and reward — of efficient medical management. In 2010, \$3.5 million in savings was paid out to SCCIPA physicians. Just as SCCIPA's size and experience made it a top choice for partnership, Anthem's presence in the region put it in an ideal position to develop a commercial ACO. Anthem's PPO population is the ACO's target demographic. Patients who have received the majority of their medical care from SCCIPA physicians are eligible, but are not required, to join the program.

The ACO's success will largely depend on the continued application of technologies within the ACO structure, namely, SCCIPA's continued use of the Coordinated Care Platform™ offered by the locally-based Health Access Solutions, which will help the organizations coordinate and exchange the operational and clinical data that are the lifeblood of the coordinated care model. SCCIPA has used this IT platform for more than a decade for authorization, utilization, and case management by way of a configurable and intelligent set of rules. Its recently established clinical care management capabilities will be critical in coordinating multi-specialty care teams, especially for those patients with chronic disease. The HIT platform's CCD capabilities, case and utilization management tools, as well as its capacity for advanced analytics, will help both SCCIPA and Anthem better coordinate care of their member population. The resulting cost savings are ultimately passed on to physicians, employers, and patients in the form of lower premiums and higher quality of care.

**Potential Roadblocks and Solutions**

Full details of the Anthem/SCCIPA ACO have not yet been announced, but there are several common misconceptions that many pursuing a coordinated model of care must face. For example, some critics draw a fuzzy line connecting ACOs to the Health Management Organization (HMO) model of the 1990s. In these comparisons, the care coordination required of an ACO could appear as a way to gain more control over the way physicians conduct their business. The solution is to help providers realize that, while they will be expected to have increased transparency as part of an ACO, they are still free to run their practices as they wish. SCCIPA providers — including primary care physicians, specialists, hospitalists, ED physicians, and others — have been working together and sharing information for many years. They have long since realized that care coordination helps them better manage their practices and patients through effective communication and collaboration with colleagues, patients, and other key stakeholders throughout the entire continuum of care. It's a capability — both technologically and operationally speaking — that many US physicians lack.

Another concern is that, similar to an HMO, an ACO may be designed around efforts that place a significant focus on authorizations and referrals — a way to manage specialist referrals to in-network providers in order to control costs. In the HMO environment of the early 90s, referrals and authorizations were largely completed through phone and fax — ineffective methods of communication that often delayed patient care. SCCIPA's IT capabilities permit it to appropriately authorize care for patients within minutes. This allows case managers to focus on those patients with chronic disease and multiple comorbidities, and also can reduce the occurrence of duplicate or unnecessary procedures. For example, in 2010, SCCIPA prevented 128 hospital admissions through the use of its contracted hospitalists, resulting in a savings of approximately \$1.6 million. Additionally, in the same year, 71 unnecessary computed tomography scans were prevented as a result of this practice, a savings of nearly \$100,000.

Anthem Blue Cross will benefit by slowing the growth of healthcare costs through effective primary care via prevention, early diagnosis, chronic disease management, a reduction in hospital admissions and re-admissions, and the prevention of duplicate or unnecessary tests. The two organizations are currently developing performance metrics around population health, overuse, and safety, including tracking disease screening rates and monitoring treatments based on industry best practices.

**The Future ACO**

ACOs throughout the country are still evolving. Many are facing delays, particularly in regard to those waiting for the refinement of the Medicare Shared Savings Program defined as a part of healthcare reform. SCCIPA and Anthem's partnership may serve as a blueprint to guide care in a way that makes the best sense for patients, providers, and the community at large. The organizations know that in order to truly improve clinical outcomes and control costs, they must create an environment that makes care easier — both for the patient and physician. Of course, patients are the most critical player in an ACO. In an effort to engage individuals in their healthcare and help them to make better decisions — hallmarks of an ACO — SCCIPA's next IT endeavor is to implement the online portal offered by their HIT partner, Health Access Solutions, that will allow patients access to their medical information. This functionality will include the results of recent lab tests or to facilitate the scheduling of an upcoming procedure. In kind, the organization is continually encouraging the use of technologies and best practices to help elevate clinical quality while lowering costs.

Building on a shared history of success, SCCIPA and Anthem expect their ACO may become a model that other provider and payer organizations can follow. A patient-centered, accountable care delivery system makes sense not only for cost control, but also to provide patients with the best care possible.

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