

Naked Hospital Event

ACO Considerations

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Trends, Reactions, Assumptions in the U.S.

- **Provider consolidation is accelerating**
- **Medical Homes are in demand**
- **ACO based thinking is evolving and re-defining partnerships**
- **Competitors as well as payers/providers are merging**
- **New places and types of care are on the increase**
- **Quality is required for both processes and care**
- **Consumer health will be the mantra, engagement is key**
- **The “End Game” is not clear but the industry is engaged**

ICD-10 is an important building block to enable many new capabilities



ICD-10-CM Mapping Example

Asthma is one of the diagnoses typically included in Disease Management programs. In a commercial product it is typically the program with the largest patient load (close to 15% of eligible members). The diagnoses on the right in red font are more specific asthma diagnoses that will allow Plans to develop targeted programs, stratify members more effectively and reduce the occurrence of false positives.

Asthma – ICD-9 CM

- Extrinsic vs. intrinsic
- Chronic obstructive asthma
- With status asthmaticus
- With exacerbation
- Exercise induced bronchospasm
- Cough variant asthma

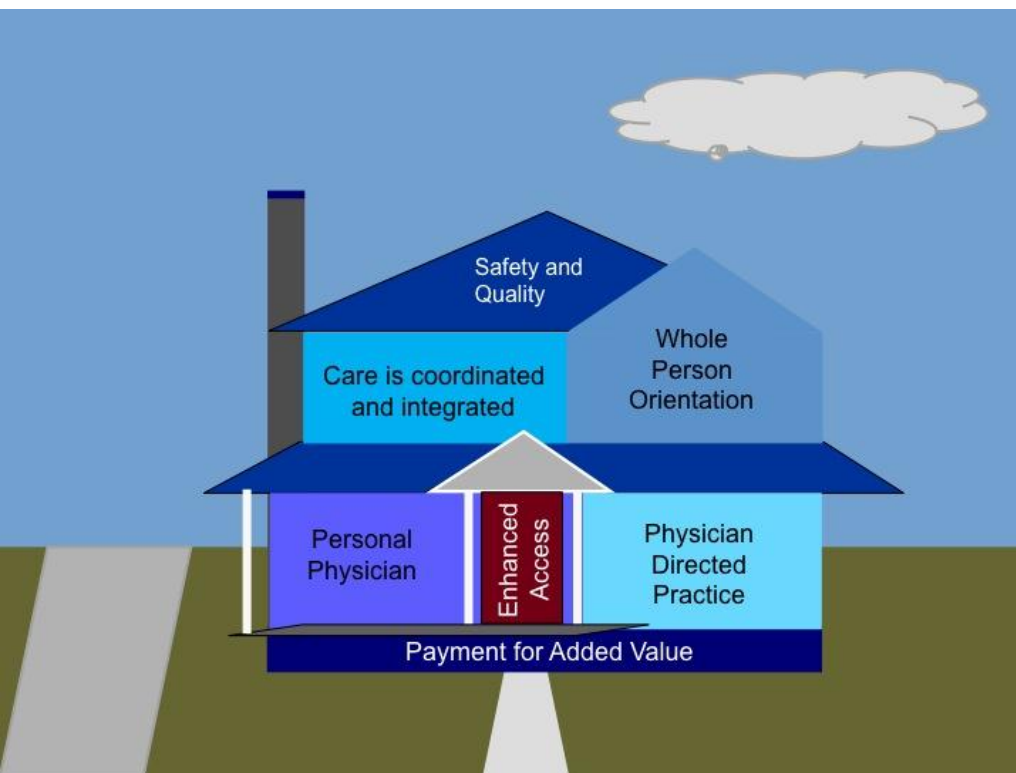
Asthma – ICD-10 CM

- Mild intermittent
- Mild persistent
- Moderate persistent
- Severe persistent
- With status asthmaticus
- With exacerbation
- Exercise induced bronchospasm
- Cough variant asthma
- Excludes chronic obstructive asthma

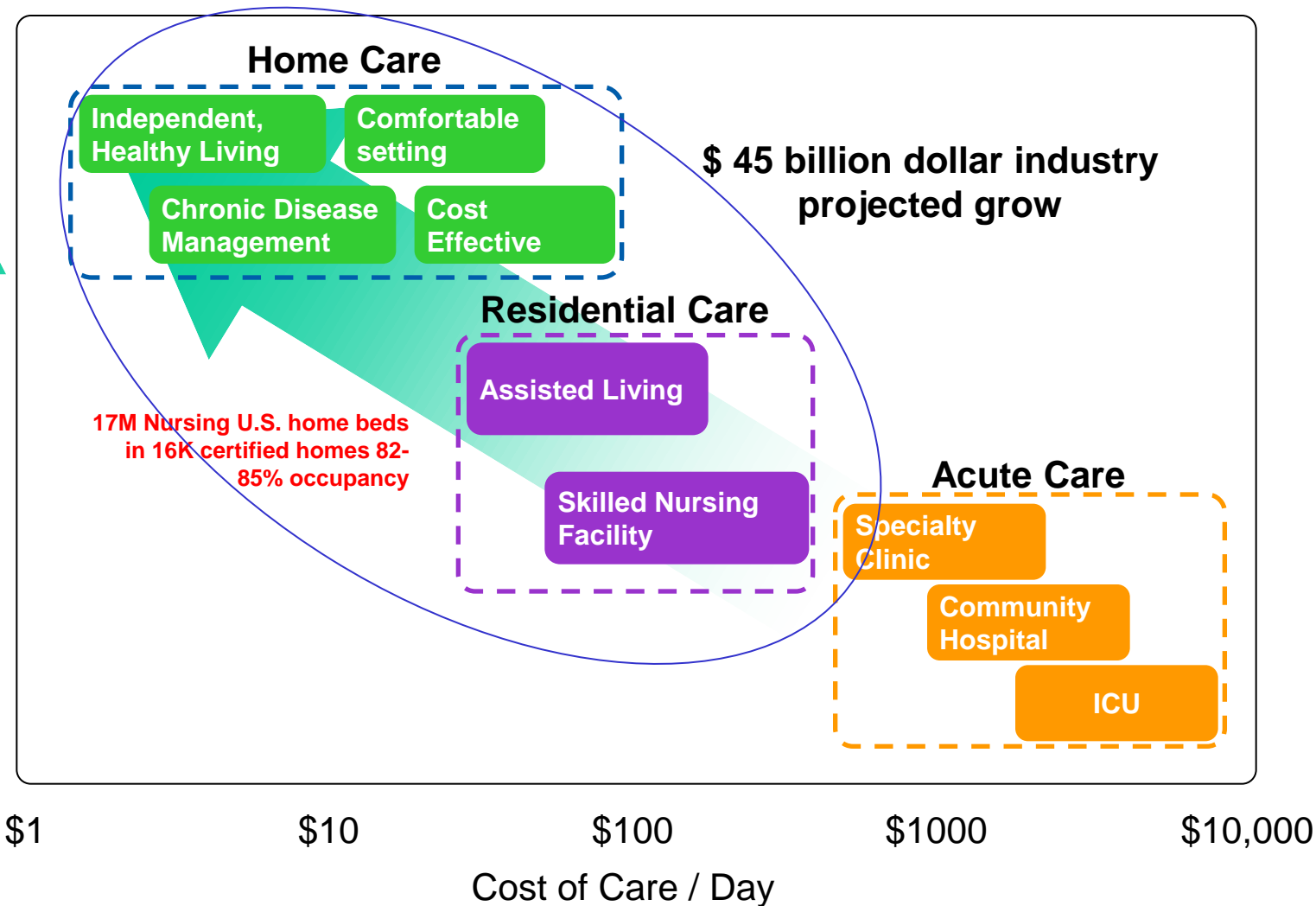


Patient Centered Medical Home

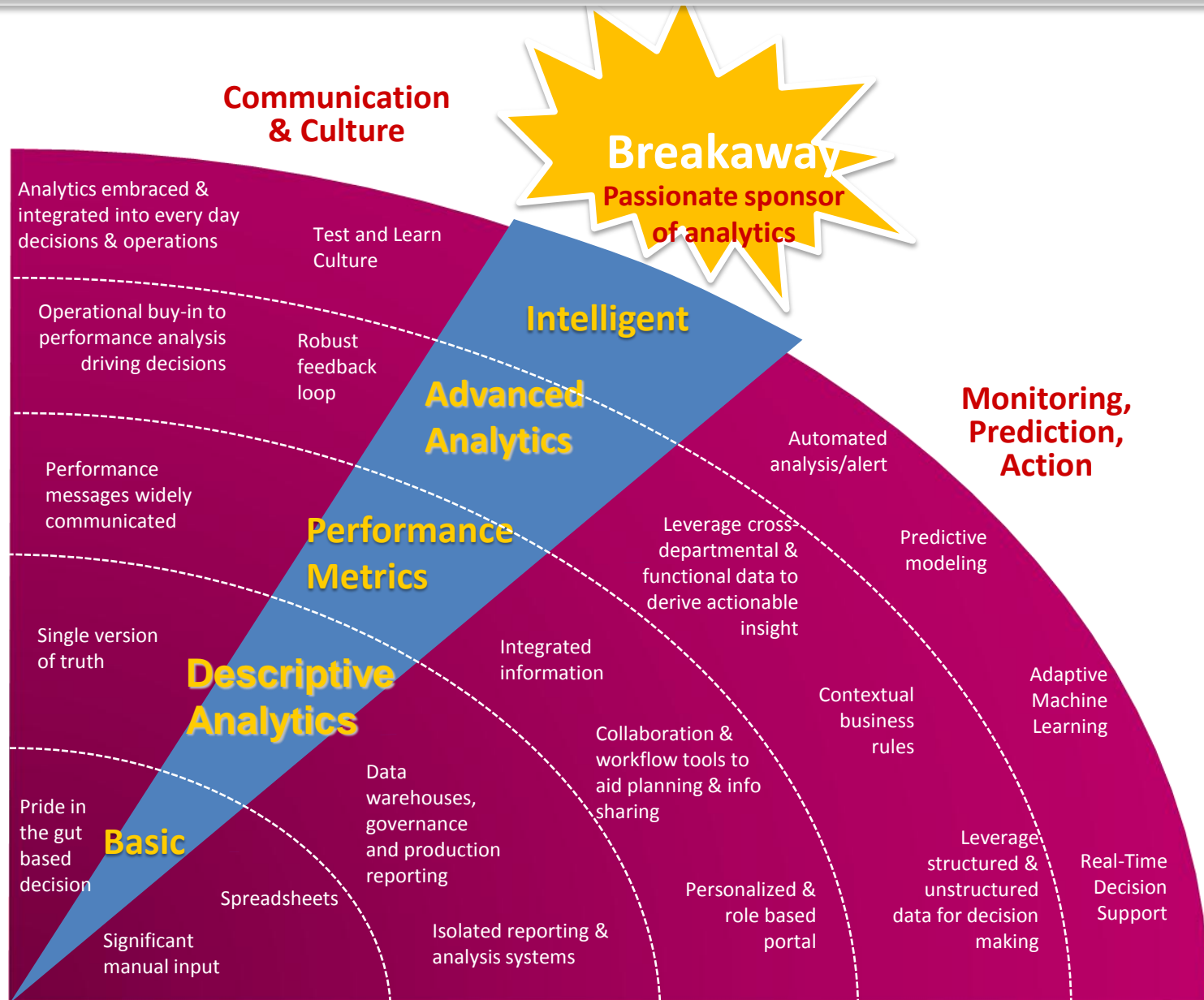
The Key ACO Building Block



Moving Integrated Care Management from Acute Care to Care at Home Provides the Accountable “Chain of Care” = Higher Quality of Life & Lower Costs

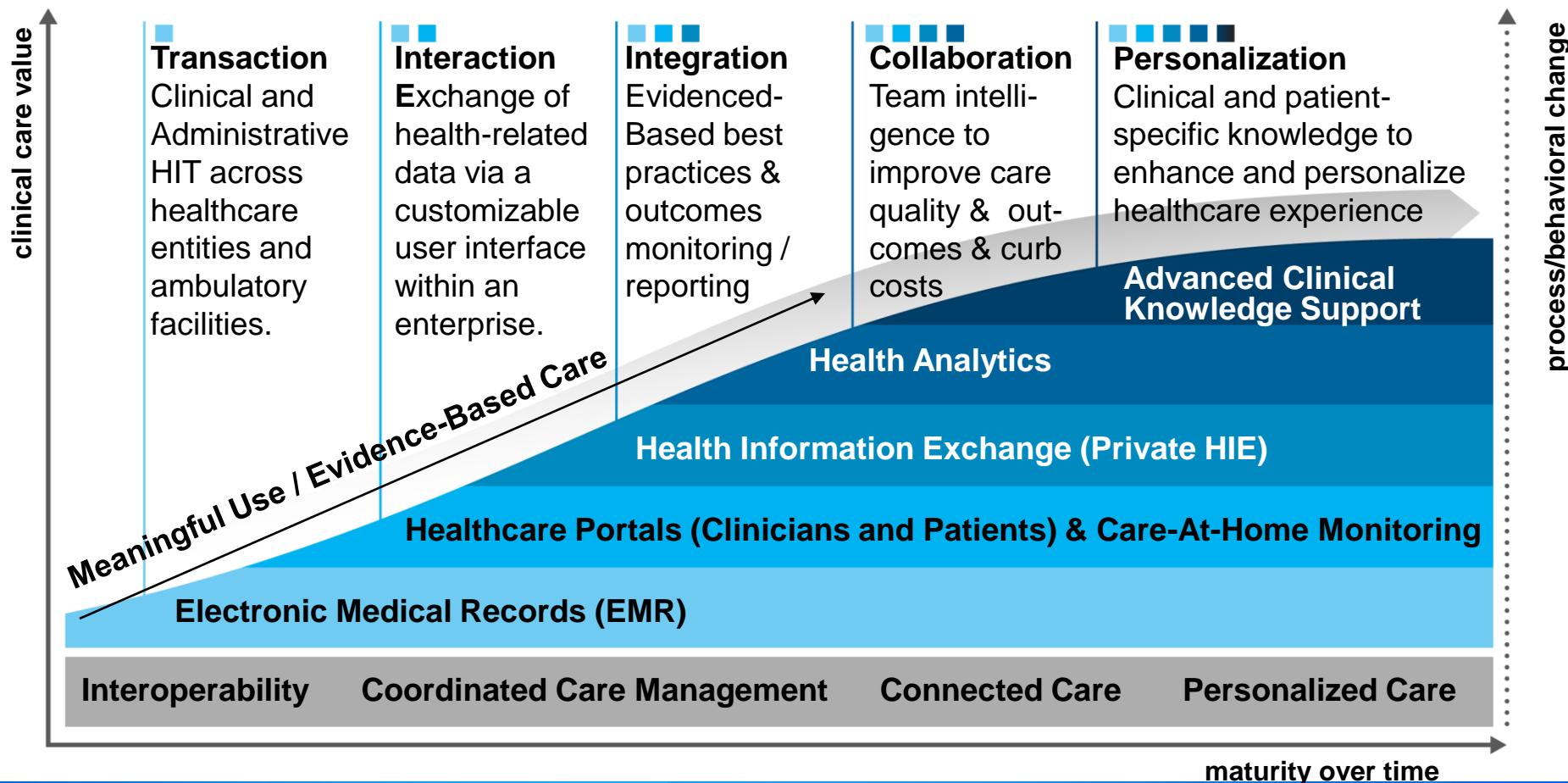


IBM Analytics Maturity Landscape



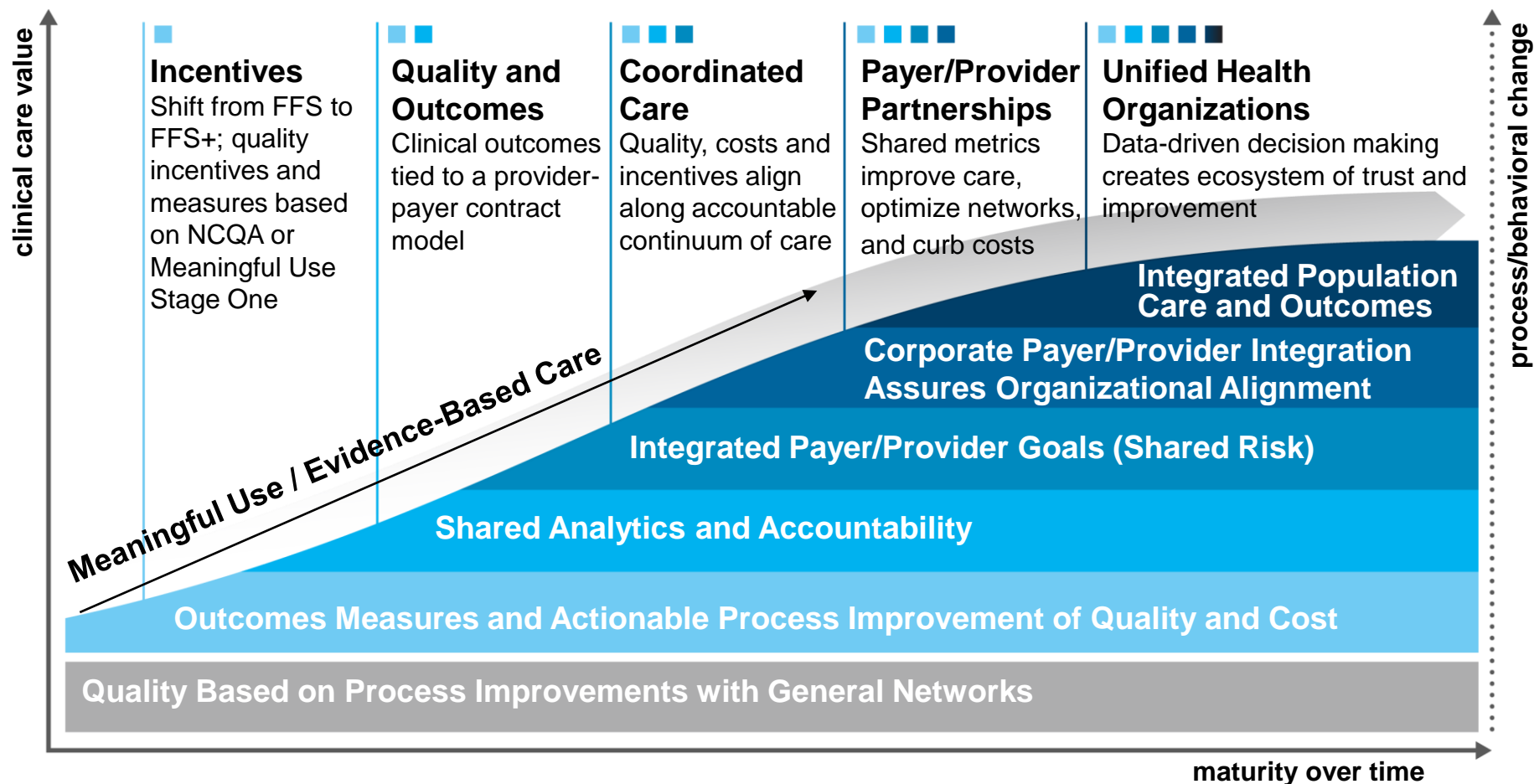
Accountable Care Progression Path: IBM Macro View

The Provider Journey to Accountable, Evidence-Centric, Outcomes-Based Care



Accountable Care Progression Path: IBM Macro View

The Payer Journey to Accountable, Evidence-Centric, Outcomes-Based Care



Accountable Care Organization (ACO)- Initial Definition

- Structure
 - Deliver seamless, high quality care for Medicare beneficiaries
 - Group practices
 - Networks of individual practices
 - Hospital partnerships with practices
 - Hospital employing practices
 - No less than 5,000 beneficiaries

- Payment for improved care at less cost
 - Fee for Service remains
 - CMS benchmarks for savings
 - Quality performance measures
 - Shared savings initially then shared savings and losses

- Beneficiary Transparency
 - Provider must notify the beneficiary that they are in an ACO
 - Also that the beneficiary's data will be shared with the ACO
 - If beneficiary opts out then the data cannot be shared

Accountable Care Organization (ACO)- Initial Definition

- Assessing Quality
 - Proposed measures – 65
 - Domains
 - Patient experience of care
 - Care Coordination
 - Patient Safety
 - Preventive Health
 - At-Risk Population/Frail Elderly care
 - Quality Scoring
 - Five scores for each of the 5 domains
 - Single final score for calculating savings/losses
 - Incorporates the Physician Quality Reporting System

What An Exciting Time

- We are barreling through unprecedented change in the Health Care industry.
- It's highlighted by the revolutionary change to the delivery of care, operational processes and the uses of health information along with unprecedented government leadership and significant partnerships.
- Embracing this journey affords major opportunities while not engaging assures worrisome consequences.
- Fasten your seat belts, put on a helmet and let's make a difference!