

# ACCOUNTABLE CARE ORGANIZATION (ACO) FUNDAMENTALS

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**Presented By:**  
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The source of funding for this grant award is District appropriated funds earned based on the American Rescue Plan Act (ARPA) of 2021. The obligated amount funded by Grantor shall not exceed \$999,000 in the first year per year, and one option year of up to \$500,000 unless changes in the obligated amount are executed in accordance with ARTICLE XV of this agreement.

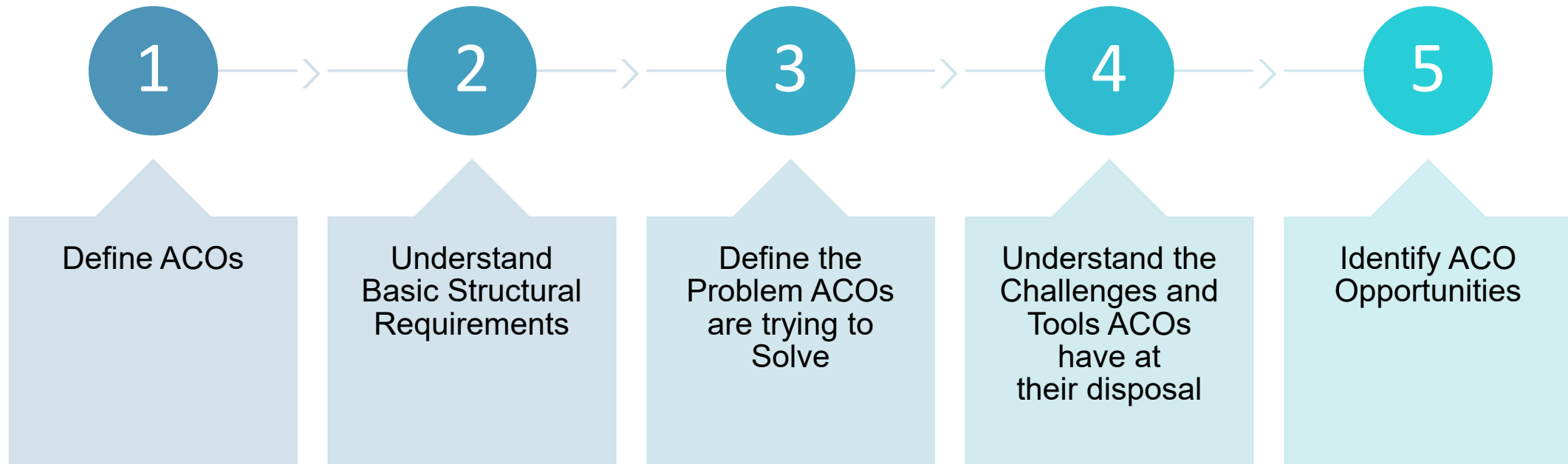


# PRESENTER



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# AGENDA





# WHAT IS AN ACCOUNTABLE CARE ORGANIZATION (ACO)?

- » Legal entity, comprised and led by providers- doctors, hospitals and other health care professionals
  - Voluntarily take accountability for the cost and quality of a defined population
  - The Affordable Care Act (ACA) introduced ACOs, Established in 2012 as a Medicare Payment Model
    - ~13 million Medicare Beneficiaries assigned to an ACO
    - 67% of ACOs in shared savings with 2-sided risk
    - 704,000 physicians and non-physicians participate in an ACO
- » Medicaid, Commercial, and Medicare Advantage plans also contract with ACOs

# WHAT ARE THE STRUCTURAL REQUIREMENTS?

Legal entity such as corporation, partnership, LLC, Foundation

Able to conduct business under the laws of the state in which it does business

Able to receive and distribute payments and repay losses

75% of board must be controlled by ACO participants

Capable of establishing, reporting, and ensuring compliance with ACO requirements (state and federal)

# WHAT ARE THE PROBLEMS AND SOLUTIONS

## » Problems:

» Payment Incentives not aligned & care is not coordinated

## » Solution:

» Shift away from Fee-For Services. Pay for value (cost/quality) by advancing to valued-based care payments

# WHY VALUE-BASED CARE

>> In a Value-Based Care Model health care providers are paid based on health outcomes and quality of care rather than on payment for individual services

## >> **What it look like?**

- ✓ Value = (Quality × Patient Experience) / Cost.
- ✓ RIGHT CARE, RIGHT TIME, RIGHT PLACE

## >> **What are the Advantages?**

- ✓ Reduced costs
- ✓ Increased provider and patient experience of care
- ✓ Improved outcomes





# COMMON CHALLENGES

- » Care Model: Defining common model and metrics
- » Financial: Operationalizing new models and understanding and managing upside/ downside risk
- » Data: Sharing/ Interoperability/ vendor management
- » Investments: Maximizing investments and/or savings from payers/plans



# VARIOUS ACO TOOLS

- » Fraud, waste-abuse and benefit waivers
- » Payment waivers
- » Access to claims data
- » Quality bonus/ savings payments



# ACO CARE DELIVERY- POTENTIAL OPPORTUNITIES



Connected Care: Silos broken down. Providers sharing resources and working together as a system across the care continuum. Starting with enhanced primary care and care coordination



Wellness Focus: Move away from sick care. Heightened intervention on prevention and illness/chronic management progression



Data Informed Care: Access to data outside of their EMR. Payer claims and clinical data via ACO tools to inform care decisions



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