

Assessing ACO Preparedness

As your organization begins to prepare for the Accountable Care Organization (ACO) model to be launched by CMS in 2012, many executives are struggling with how to provide their administrative team, board members, and medical staff with accurate and relevant information that will help guide strategic decision-making on the topic.

Healthcare Strategy Group has helped a number of hospitals and health systems begin this preparation. Our ACO Preparedness Assessment is a multi-step process aimed at providing your team with the information it needs to evaluate the gaps in its competencies as they relate to ACO development and implementation.

Our ACO Preparedness Assessment begins with education about the ACO model for your administrative team and board members, and then subsequently involves seven steps to assessing your readiness for ACO development and implementation:

- 1) **Physician Readiness Survey** – Through our Physician Readiness Survey, distributed via email to your medical staff, we assess physician awareness and grasp of the ACO model; understanding of evidence-based standards and value-based care; implementation and usage of EHR and practice management systems; current referral patterns to other physicians, hospitals and other outpatient services; perceptions of your hospital and its physician staff; and the physician’s willingness to work with your hospital in the development of this model.
- 2) **DRG Cost Analysis Assessment** – With our DRG Cost Analysis Assessment, the relative efficiency in terms of cost and utilization of your hospital’s service lines and physicians can be analyzed. This data can then be used to provide a high-level assessment of your level of success under an ACO payment model. In addition, this data is compared with reports for competitor hospitals and physicians in your area to show how your facility and physicians measure up.
- 3) **Physician Leadership Assessment** –Physicians are ultimately going to be responsible for the changes in practice patterns that will lead to ACO success. Identifying these leaders will be important. In our Physician Leadership Assessment, we identify key physicians by service line who can help lead the development of the ACO model within your organization.
- 4) **Primary Care Assessment** – Under the Medicare model, patients will be assigned to an ACO through their primary care physician. These PCPs will be responsible for managing patient health and directing referrals to other providers in the ACO. For hospitals, this means that referral streams from non-employed or affiliated physicians will be particularly vulnerable to competitors. Our Primary Care Assessment looks at the complement of primary care physicians in your area, determine the adequacy of the supply, determines what percentage of your referrals are at-risk to competitors, and synthesizes these factors into primary care strategy designed for ACO success.

- 5) **Insurer Assessment** – All of the competencies needed to successfully implement an ACO cannot be owned by the hospital. Hospitals will need insurer partners who have expertise in claims processing, data analysis and monitoring, and utilization management to help manage cost and utilization in a manner that does not impact quality of care. Our Insurer Options Assessment will provide you with an assessment of the options for an insurer partner in your area, and define what competencies these organizations can offer as a partner for your ACO.
- 6) **Partnership Needs Assessment** –Some hospitals do not own the clinical resources required to develop an ACO. We will complete an assessment of your organization’s resources, define gaps in both specialty acute care services and other services across the continuum, and make recommendation on how the organization should proceed to close those gaps.
- 7) **Information Technology Assessment** – Information technology, especially an electronic health record (EHR), will be vitally important to the successful sharing of information across providers and the hospital. Our Information Technology Assessment will evaluate the type of EHR used at the hospital, employed physician practices, affiliated practices and other physician practices in the community and how implementation of EHR in physician practices could align physician practices with your hospital. Physicians who share an EHR system with a hospital partner are much more likely to be successful in meeting the goals set forth in an Accountable Care Model’s payment system. Helping physicians develop their use of EHR will be a successful way to align with them under an Accountable Care Model.

Our ACO Preparedness Assessment Final Report compiles all of the findings from the assessment, and evaluates your overall gaps in the competencies required to develop and implement an ACO. This report includes a high-level action and financial plan for addressing these gaps.