



# National Health Policy Forum on ACOs

May 19, 2011

Washington, DC

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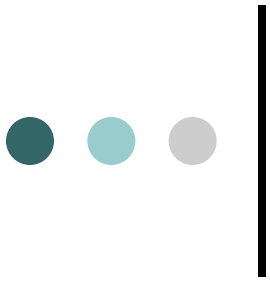
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# NPN Today

## Northwest Physicians Network

- An Independent Physician Association
- Functions as the managed / coordinated care infrastructure for private practice physicians in small to medium sized practices
- 512 providers: 147 PCPs; 371 Specialists with full compliment of contracted ancillary providers, hospitals, skilled nursing facilities, etc.
- Subsidiary businesses: Third Party Administrator **BenefitMD**; Insurance company concentrating on Medicare Advantage, **Puget Sound Health Partners**; Practice Management Company, **Practice Solutions**; **NPN Foundation** for health care improvement, **The Network**, a secure e-communications system



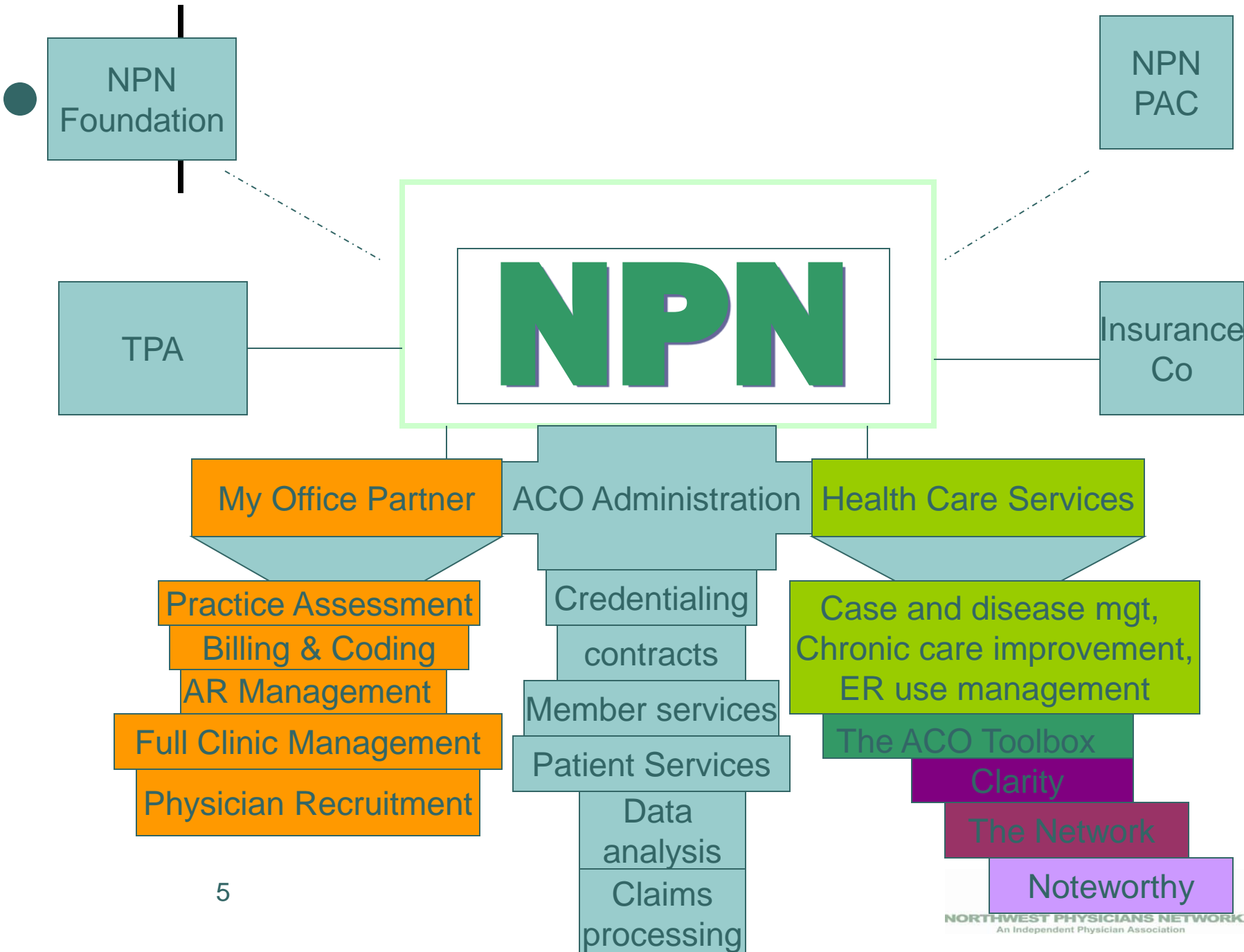
# NPN Today

- Geographic Area: South Seattle through Tacoma and all of Pierce county, WA



# NPN Today

- Incorporated in 1995
- Performing full risk, capitated payment arrangements for commercial, Medicaid and Medicare payors for 16 years; including transparency of quality, utilization and cost data
- Developing the building blocks for the ACO infrastructure since 1995



NPN  
Foundation

NPN  
PAC

**NPN**

TPA

Insurance  
Co

My Office Partner

ACO Administration

Health Care Services

Practice Assessment

Billing & Coding

AR Management

Full Clinic Management

Physician Recruitment

Credentialing

contracts

Member services

Patient Services

Data  
analysis

Claims  
processing

Case and disease mgt,  
Chronic care improvement,  
ER use management

The ACO Toolbox

Clarity

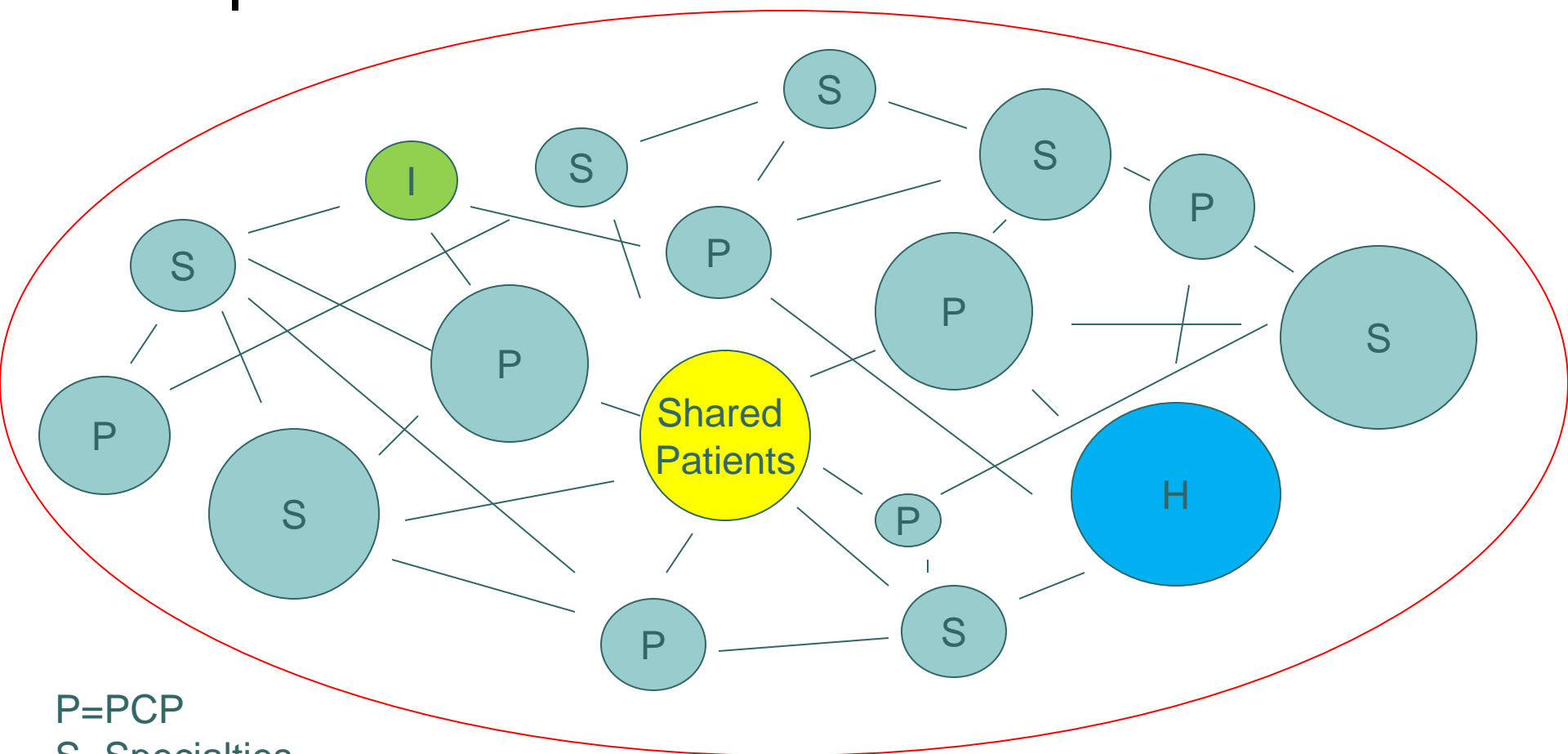
The Network

Noteworthy



# Clinically-Integrated Community

*Linked around common patients using an electronic care coordinate system*



P=PCP  
S=Specialties  
H=Hospital  
I=Imaging Center

# Puget Sound Health Alliance Reporting\* All Commercial and All Medicaid

| 2007-2008                    | NPN | P.S. | NPN Mgd Care |
|------------------------------|-----|------|--------------|
| HbA1c tested <12 mo          | 80% | 79%  | 85%          |
| LDL-C screened               | 74% | 73%  | 81%          |
| Appropriate asthma med       | 90% | 69%  | 100%         |
| Diabetic retinal exam <12 mo | 57% | 61%  | 57%          |
| Anti depressant f/u 12 wks   | 69% | 68%  | N/A          |
| Anti depressant f/u 6 mo     | 50% | 48%  | 47%          |

Basis  
of an  
ACO

\*All clinics/systems in King, Pierce, Snohomish, Thurston, Mason

\*Based on data aggregation from 14 payers; excludes Medicare

# System Level Performance Today

2000-2001 (baseline)

NPN = WA

2008-2009

NPN

WA

Childhood Immunizations <=2

75.1%

68.0%

Diabetic Retinal Exam

56.8

50.7

HgA1c completed <= 12 mo.

84.9

76.0

LDL-C Screening – CAD/diabetes

81.2

76.3

Anti-depressant med mgt.

46.7

39.0

Appropriate asthma meds

100.0

88.9

Utilization (Medicare)

(per 1,000)

ER visits

204.9

292.0

Inpatient days

1116.0

1378.0



## Clinically Integrated Practice Community Accountability Metrics (10/05/10)

| Practice Name            | Outbound through Clarity* | Clinical Attach Rate | Response < 24 hrs | Status < 3 days | Return Reports                      |
|--------------------------|---------------------------|----------------------|-------------------|-----------------|-------------------------------------|
| Primary Care Clinic      | 75%                       | 100%                 | NA                | NA              | NA                                  |
| Specialty Clinic A       | 75%                       | 100%                 | 100%              | 85%             | <input checked="" type="checkbox"/> |
| Specialty Clinic B       | 80%                       | 35%                  | 100%              | 90%             | -                                   |
| Specialty Clinic C       | -                         | -                    | -                 | -               | -                                   |
| Specialty Clinic D       | NA                        | NA                   | 100%              | 80%             | -                                   |
| <b>Community Average</b> | <b>60%</b>                | <b>60%</b>           | <b>-</b>          | <b>-</b>        |                                     |

\* Estimated based on expected outbound volume



# CMS and ACOs

- Applaud Dr. Berwick's and CMS's bold efforts to support delivery system reform as the keystone for achieving the triple aim
- Applaud CMS's willingness to listen and make changes; Pioneer ACO Model
- Creates an atmosphere of collaboration



# ACO Opportunities

- Complete the development of a physician-designed and led delivery system based on a culture of actively managed and coordinated, accountable care
- Preserve the best elements of the private practice of medicine while incorporating the best features of a shared system of coordinated patient care.



# Challenges of Current Proposed Rule

- Static risk adjustment
- Retrospective attribution
- Quality measurement requirements
- Minimum savings requirements
- Legal structure impediments for non-IDS
- Focus on elemental structural elements which will not get the changes necessary for success; owning all the elements of delivery system and having one EMR ≠ improvement
- No funding for infrastructure development
- CHALLENGES MAKE IT ALMOST CERTAIN THAT WE CANNOT PARTICIPATE



# Pioneer ACO Model's Opportunities

- Solves or at least makes possible solutions for the challenges inherent in the Current Proposed Rule
- Opens up the opportunity for CMS to allow all types of organized systems of care to participate and thus allows the involvement of a broader and more representative cross section of the providers in the current delivery system to participate
- Gives CMS a real opportunity to evaluate the value of different approaches to achieving the triple aim
- Gives more of the current delivery system a chance to make the transition to accountable/coordinated care delivery
- Provides a concrete impetus to the commercial market to change to value based reimbursement
- IPAs AND OTHER VIRTUALLY INTEGRATED SYSTEMS OF CARE CAN PARTICIPATE



# Observations for Cultural Change Which Must Occur to Ensure Success

- All of us involved must dedicate ourselves to being effective leaders to help us all do the hard but necessary work that will lead to meaningful change
- Collaborative vs. Adversarial approach
- Kick out win-lose competition based on controlling market share and Adopt win-win competition based on service, cost and quality
- Dedicate ourselves to reframing the debate around health care system transformation --- stop using “sound bite”, polarizing language like “death panels” and polarizing concepts like changing benefits to better reflect personal responsibility as “denying choice”
- IF WE, THE SUPPOSED LEADERS, CAN'T CHANGE OUR APPROACHES TO SOLVING THE PROBLEM HOW WILL THE NECESSARY CHANGES COME ABOUT??????