

What ACOs are Looking for in a Post-Acute Care Partner



Yann Beullan, CEO and founder of Vindicet and former top executive at Aetna, discusses how LTACs should position themselves to get more business from ACOs and large health systems

Understanding ACO Differences

As of the first quarter of 2014, the number of Accountable Care Organizations has increased substantially to 626 active ACOs – covering approximately 20 million lives. Of these, 329 have government contracts, 210 have commercial contracts and 74 have both types of agreements.

From contracted arrangement to full-fledged partnerships, ACOs are increasingly looking to forge tighter relationships with post-acute as a way to deliver more seamless care across the continuum. For LTACs that wish to participate in these partnerships, it's important to understand some of the differences and commonalities of ACOs out there.

1. **ACO model type:** ACOs have several models which differ by payment type (“One/Two sided shared savings”, “Partial capitation/global payments”, “Global payments”). Each of these payment arrangements has their pros and cons, but they all have one overarching common goal: Improving outcomes while reducing costs.
2. **Medicare ACO vs. Non Medicare ACO:** While ACOs are looking to forge closer operational and clinical ties with post-acute care, Medicare organizations tend to be less collaborative than Non-Medicare ACOs.



3. **ACO location:** Most ACOs are in high density population areas. If you are located in a rural area, you might not have to compete or partner with them.
4. **ACO origination:** As of today we have:
 - a. Insurer-Provider ACOs: The insurer and the provider are equal partners in providing accountable care;
 - b. Single Provider ACO: Usually an integrated delivery system that receives payment for a population and takes on the responsibility of providing accountable care;
 - c. Insurer ACO: A regional or national insurer who takes the lead in organizing providers in such a way that the insurer bears the burden of assuring accountable care;
 - d. Multiple-Provider ACO: Two or more providers(usually a hospital and a physician organization) have partnered to provide accountable care for a population.

Who are ACOs looking for in a Partner?

The key to partnering with an ACO, and ensuring that you get referrals, is to understand how ACOs are compensated. The main driver behind all of this ACO activity is, of course, CMS. ACOs are not about withholding services but creating value. Cost reduction is the ultimate goal with patient satisfaction built in. LTACs need to be able to demonstrate their role in managing:

- Long term care mortality rates
- Long term care hospitalization index
- Total readmission rate within 30 days
- Total readmission rate within 72 hours
- Total short term readmission rate within 30 days

Adding Value as an ACO Partner

The main desired “paradigm shift” is a closer relationship between providers to look at cost of care from both a patient and episode perspective.

As of today, the “Hospital Readmission Reduction Program” is one of the top priorities for most health systems and ACOs. Inpatient prospective payment system (IPPS) hospitals with high readmission rates will receive lower Medicare payments for all Medicare discharges related to three medical conditions: heart failure (HF), acute myocardial infarction (AMI) and pneumonia (PN).

The strategic business approach for better collaboration with an ACO will be different whether your LTAC is a standalone, hospital within a hospital or strategic partner. But every LTAC will need to:



- **Create better relationships with case managers, discharge planners and social workers at the Acute Care setting.** Your marketing team needs to sell your service/value-added to the people responsible for recommending where the patient referral will go. Through my conversations with our clients, I've learned that within an ACO or health system, case managers don't always recommend transferring patients to their "own" Post-Acute care facilities. LTACs need to promote their value by providing their referrers with in-depth outcomes reports.
- **Provide immediate feedback to Referrers regarding new Medical Programs.** For example, if you are expanding your ventilator program, put in place a process that provides in-depth outcome reports to your referrers (weaning days, ALOS, discharge location). Assist them in identifying outliers that are associated with these new services.
- **Assist your Referrers in lowering RTAs by placing Patients in the right programs.** Ensure your preadmission screening includes the clinical criteria and processes to identify high risk patient and place them in the proper program.
- **Provide better Collaboration and lower your own RTAs by involving more people in the referral process.** Making real-time preadmission information available to all admission stakeholders makes the patient assessment more accurate, and makes for better preadmission decisions.

Conclusion

CMS will be promoting reimbursement frameworks that provide better compensation for providers that are working closer. As an LTAC, you will need to be prepared to share your outcomes in order to better align your LTAC program with your ACO partner's goals.



Yann Beullan-Thong, Vindicet CEO & Founder

ybeullan@vindicet.com | 203.404.3168

Yann has 20 years of experience in developing new products, business plans, and strategy. Prior to Vindicet, he served as VP of eBusiness Development & New Ventures at Aetna, where he developed innovative joint offerings with companies including WebMD, J&J, Pfizer, MasterCard and Discovery Health.