Starting Small to Save Big: Selecting and Sequencing Initiatives Wisely

HackensackAlliance ACO's Approach

Domain: Governance and Culture
Category: Commitment to Value
Competency: GC.4.1 Align your organization's mission, vision, and strategy with your commitment to value-based care objectives

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BACKGROUND

When HackensackUMC began considering ACO adoption in 2011, value-based payments were not well understood nor widely accepted. However, the system believed that accountable care participation would support its long-term goals. Thus, in 2012, HackensackAlliance ACO ("Hackensack") was created based on three underlying principles: 1) all providers would commit to changing practice patterns to improve quality, efficiency, and eventually generate savings; 2) the ACO would be treated as a clinical laboratory for testing value-promoting practices rather than as a for-profit entity; and 3) shared savings would be used to recoup all financial startup costs before making distributions. This three-part vision of behavior change, continual learning, and financial responsibility has informed the ACO's on-going strategy.

About HackensackAlliance ACO

HacksackAlliance ACO is comprised of 3 HackensackUMC hospitals, the Hackensack University Medical Group, and roughly 120 independent physicians across northern New Jersey.

Location: Hackensack, New Jersey
Website: www.hackensackumc.org/our-services/medical-services/aco/
VBP Activity:
- MSSP Track 1 2012-2015, renewed in 2016 (~30k lives)
- Self-funded employee health plan since 2012 (~15k lives)
- Horizon BCBCNJ since 2014 (~30k lives)
- Aetna since 2015 (~10k lives)

Note: At the start of 2017, commercial contracting was moved to the CIN, which also includes specialists.

APPROACH

In the first year, Hackensack selectively recruited and trained primary care providers who were committed to the ACO's vision. To become a member, providers were required to have an EMR and be willing to modify practice patterns when shown evidence of the value. The organization did not request any change in the actual medical care of the patient, believing that the physicians would gravitate toward optimal care when given the tools. To align its new network of disparate practices behind common objectives, Hackensack utilized the NCQA PCMH certification process, even hiring a consulting firm to assist in the certification of every practice at no cost to the physicians. Not only was this a free service, but practices also saw a financial gain up front, as several commercial payers gave bonuses for PCMH certification.

After the provider network was created and aligned, Hackensack leadership turned its focus toward eliminating waste in the system using a manageable, step-wise approach. Each year, Hackensack developed realistic goals, targeting a specific area of waste that would yield tangible results. In selecting focus areas, Hackensack recognized the need to gain the support of the physicians and administrators by first focusing on areas with readily identifiable and financially rewarding results. For example, Hackensack did not start with initiatives that would take 10 or 20 years to demonstrate a return on investment. For each of its annual initiatives, the ACO particularly focused on creating 'low-tech' and common sense solutions before resorting to large-scale initiatives.

In the first year (2013), Hackensack tackled unnecessary ED visits and hospitalizations, implementing simple operational changes to reduce utilization, such as extending practice hours and informing patients about treatment access. For example, when a practice was closed, rather than simply mentioning the ED as the after-hours resource, Hackensack asked the practices to change their voicemail recording to offer same-day appointments the following day, mention other ACO clinics with evening and weekend hours, and offer the cell phone numbers of ACO care coordinators who could triage and contact the physician if necessary. While simple, these operational changes led to significant savings.

In the second year (2014), Hackensack focused on 30-day readmissions. Minimal analysis pointed to two major factors contributing to rapid returns to the hospital: medication reconciliation and access to primary care. In response, Hackensack used its outpatient pharmacy to discharge patients with a 30-day supply of medications, and instructed them to discard old medications at home. Hackensack also arranged for patients to see their PCP within 72 hours of discharge. Both changes decreased the incidence of 30-day readmissions and contributed to decreased hospital costs.

In the third year (2015), through simple claims data analytics, Hackensack identified high post-acute care costs, particularly in skilled nursing facilities (SNFs). In an analysis of its hospitals' discharge process and average SNF length of stay, Hackensack observed a general tendency toward the path of least resistance, as opposed to the path of appropriateness and necessity. Unsurprisingly, Hackensack also found that the SNFs tended to keep patients for 25-30 days to optimize Medicare reimbursement. To remedy this, Hackensack found the SNFs that were willing to work with the ACO to minimize the length of stay, and formed a high-value preferred provider network. Additionally, Hackensack began to utilize questionnaires at the time of admission to determine a patient's ability to return home following hospitalization.

Hackensack can then optimize the transitional care plan to help patients to feel comfortable and confident with an at-home recovery. With this questionnaire-informed transitional care plan, patients and families are aware from admission that the plan is to return home.

RESULTS TO DATE

HackensackAlliance has had consistent success in the Medicare Shared Savings Program, earning shared savings payments each year. In the 2015 performance year, the ACO generated $33.4 million in shared savings and earned a composite quality score of 95.7%. Hackensack has also shown savings in its commercial contracts each year through shared savings bonus payments and per-member per-month care coordination fees to the practices.

Hackensack's strategy to identify an important but workable problem, create a simple solution, and build on that solution has helped the ACO to decrease costs and consistently reach its objectives. Importantly, as Hackensack initiates change, those changes become the standard of care within the ACO.

TOOLS & VENDOR PARTNERS

In general, Hackensack believes that understanding your organization and identifying obstructions are more important than purchasing expensive population health software to drive value. However, the ACO does utilize simple analytics to identify trends in wasteful care.

Hackensack found value in hiring a consultant to help each practice become PCMH-recognized to simultaneously educate all PCPs on high-value care management and to unify each practice behind a common goal.

CHALLENGES WITH IMPLEMENTATION

To avoid physician pushback to practice changes, Hackensack was careful in its initial selection of providers and worked to establish trust early on. When selecting cost-reducing initiatives, many ACO providers begin with overly ambitious and broad targets. Hackensack leadership was very thoughtful about the selection and sequencing of initiatives, identifying efforts that would result in an immediate ROI. This strategy helped build and maintain improvement momentum and sustain financial support.

However, Hackensack has also found some unexpected challenges as a result of its success. For example, providers are eager to claim responsibility for savings and often feel entitled to more money. Providers who don't understand shared savings methodologies may assume that savings will continue indefinitely, and therefore there is room to increase budgets. However, Hackensack understands that, while it has found enough waste to decrease costs every year, savings are not unlimited. Therefore, continued judicious budgeting is necessary, and eventually, greater risk must be assumed.

Like many provider organizations, Hackensack must often partner with organizations whose financial incentives do not align with the goals of the ACO (e.g., SNFs, rehab facilities, DME suppliers, etc.). In these circumstances, Hackensack seeks to understand the organization's perspectives and profit structure, finding creative ways to reach common ground.

KEY LEARNINGS

- **Don't reinvent the wheel** – Use PCMH certification and other frameworks to educate physicians and unite them behind a single goal.
- **Look for easy and early wins** – Set yourself up for success in a relatively rapid fashion to sustain stakeholders' willingness to invest and remain committed to changing behavior.
- **Have realistic expectations for your team** – ACO leadership cannot expect providers to practice the way leadership thinks is best. An individual can only perform to the best of their abilities, not to the best of others' expectations.
- **Sometimes the simplest solution is the best one** – Look for simple, 'low-tech' operational changes, like voicemail recordings, to affect change.

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