

MOUNT AUBURN
HOSPITAL

Mount Auburn Hospital and MACIPA as an ACO

Kathryn Burke

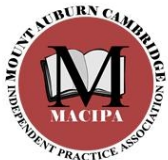
Barbara Spivak, M.D.

April 16, 2010

Building Accountable Care Organizations

Outline

- Mount Auburn Hospital overview
- Community Hospital-IPA partnerships: Mount Auburn Hospital and MACIPA as an ACO
- MACIPA Background and Structure
- Keys to Success
- Challenges to Developing an ACO



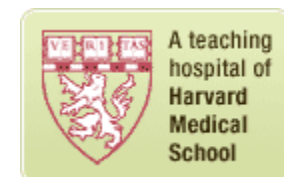
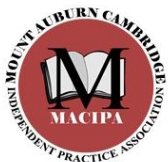
MOUNT AUBURN
HOSPITAL



MOUNT AUBURN
HOSPITAL

Mount Auburn Hospital

- Mount Auburn Hospital located in Cambridge, MA is a regional teaching hospital of Harvard Medical School
- Serves the Boston/Cambridge Metro area
- Founded in 1886 as first hospital in Cambridge
- Mount Auburn Hospital mission:
 - Provide clinically excellent care with compassion
 - Teach students of medicine and health professionals to benefit the next generation of patients and their families

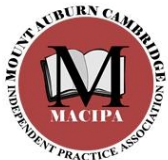


Mount Auburn Hospital Background



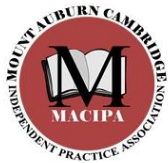
MOUNT AUBURN
HOSPITAL

- A community/tertiary care facility with 203 licensed beds and 29 bassinets
- Licensed beds include:
 - 20 Obstetrics
 - 167 Med/Surg
 - 16 Psych
- Provides comprehensive inpatient, outpatient and specialty services at main campus and 25 off-site locations



Mount Auburn Hospital and MACIPA

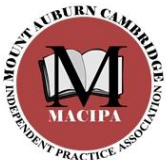
- Managed care partners since 1985
- Long history of investment in systems and programs to manage costs
- Teaching level hospital care without the skyrocketing costs of competing hospitals
- Systems established to prevent leakage to costlier hospital care
- Active and engaged leadership at hospital and IPA willing to partner with payers to achieve mutual goals



MOUNT AUBURN
HOSPITAL

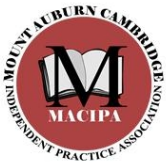
Mount Auburn Hospital and MACIPA as ACO

- Each are independent entities with no legal structure joining them.
- Contracts with payers are signed as 3-way agreements. Each entity signs independently.
- Risk sharing between Hospital and IPA is defined and agreed-to outside the agreements with payers.
- Service agreements are in place between Hospital and IPA defining:
 - Who provides service (e.g. MACIPA provides data warehousing; Mount Auburn administers reinsurance program)
 - Compensation to be provided for each service
 - Terms of the service to be provided



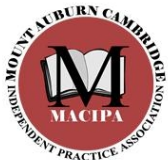
Mount Auburn Hospital and MACIPA as ACO

- Global contracts are budgeted risk with generally 100% risk.
- In some instances certain services may be carved out of the risk (e.g. OOA emergency care; BH)
- The contracts spell out how the hospital and physicians will interimly be paid.
- Approximately 50% of globally contracted services are provided within the ACO between the hospital and MACIPA physicians.
- Services not provided within the IPA or by MTA are paid at the 3rd party contracted rates.



Mount Auburn Hospital and MACIPA as ACO: Challenges of Model

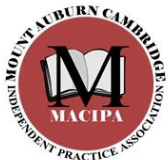
- Cash flow. It's difficult to structure cash caps due to the IPA structure of physicians. IPA is for-profit; hospital is not-for-profit. There are other financing issues as well associated with this model: reserve issues, budgeting, etc.
- Program planning: No central structure for developing clinical programs. New program development needs to work within mixed private-hospital-hospital-owned physician practice model.
- Risk sharing and valuation: the need to frequently discuss and evaluate each party's value and contribution is sometimes difficult, but is done in a transparent manner. This is unavoidable in any model, and having no legal structure leads to a lot of constructive discussion. *Dynamic Tension!*



MOUNT AUBURN
HOSPITAL

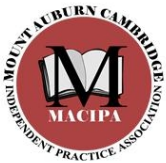
Challenges of Model: How Public Policy Can Support Model

- Fund Technical Assistance to assist community hospitals and smaller IPAs:
 - Understanding global budgets and budget setting
 - Data warehousing
 - Disease Management and Care Management options
 - Assistance for ACO's who run into deficits over multiple years or who fall out of "risk credentialing" status
- Pooling for high cost cases-state managed self-funded stop loss pool
- "Banking" services for cash flow, reserves, capital start-up and access to short-term lines of credit to smooth out funding shortfalls of a cyclical nature



Mount Auburn Hospital Initiatives

- Quality Focus
- Medication Safety: elimination of harm from medication errors
- Transitions of care: improved communication
- Increase patient satisfaction
- Cost competitive
- Reduce “Leakage”
 - Build services locally within capacity and competency
 - Reputation for quality and safety
 - Patient friendly
 - Reporting



MOUNT AUBURN
HOSPITAL

Mount Auburn Cambridge IPA (MACIPA)

Background

- Founded in 1985 with the main goal to organize physicians and negotiate managed care contracts
- 513 physician members who admit to Mount Auburn Hospital and/or Cambridge Health Alliance
- MACIPA takes full risk capitation from the three major local health plans BCBSMA, Tufts Health Plan, Tufts Medicare Preferred, and HPHC since mid 90's
- 46 employees
- 40,000 capitated lives



MACIPA Membership Practice Statistics

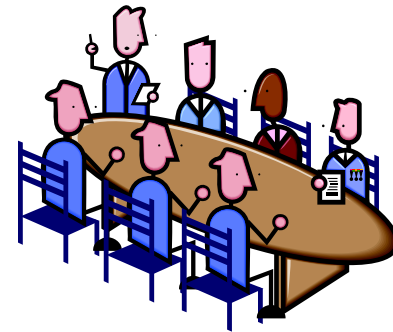
<u>Practices</u>	<u>Physician</u>
■ MAPS	161
■ Private Practices	247
■ Cambridge Health Alliance	105
<hr/>	
■ PCPS	94
■ Specialists	402
■ PCP/Specialist	17

Total of MACIPA users on E.H.R= **722**
(MDs, NPs, Residents and Practice Staff)



MACIPA Structure

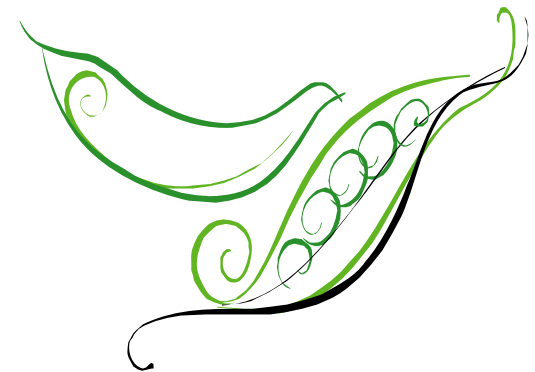
- Board
 - Finance and Contracts Committee
 - Medical Policy Committee
 - Credentialing Committee
 - Executive Committee
 - Oversight Committee



Over 50 members on committees

MACIPA POD Structure

- PCPs are organized into Pods
- Each has a Pod Leader
- Monthly Pod Leader Meetings *and*
- Monthly Pod Meetings



MACIPA Infrastructure

- Case Management
- Medical Management
- Referral Management
- Pharmacy Management
- Data and Reporting
- Contracting



MACIPA Infrastructure

- Credentialing
- Quality
- Accounting
- IT Department
- EHR Department





Keys to Success

Culture

- PCP Centric
- Physicians are consensus driven and collaborative
 - *It wasn't always that way*
- Physicians are paid to come to meetings
- Focus on quality ➡ efficiencies follow
- Data Driven

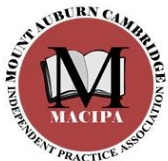




MOUNT AUBURN
HOSPITAL

Keys to Success

- Bring in key physicians
- IPA brings value to physicians
- Stability of Senior Leadership
- Physician Leaders also practice






Keys to Success

- Very good relationship between Mount Auburn Hospital and MACIPA
 - Risk Partners
 - Both focus on quality
 - Win/Win relationship
 - We set negotiation strategy together
 - We don't let the Health Plans divide us





Keys to Success

- Sufficient budgets (global capitation)
- Critical mass of members; significant portion of risk payments in overall payor mix for both the hospital and physicians
- Infrastructure to manage 
- Funding for infrastructure from both payors and from generated surplus
- Good financial planning and reporting



Challenges to Developing ACOs

- Culture changes for physicians & administrators take time to develop
- Managing “leakage” delivered outside the system
- Patient & Physician acceptance of the team approach
- Getting to “yes” on a contract with the payor, the hospital and the physicians all feeling positive!