

Understanding the Needs of IDNs and ACOs



Proven Education for the Life Sciences.

844.790.3021 | solutions@CMRinstitute.org | CMRinstitute.org

Helping Healthcare Sales Professionals Recognize the Enterprise-Wide Needs of their Health System Customers.

When partnering with an integrated delivery network (IDN) or an accountable care organization (ACO), sales professionals should understand the strategic needs of the organization as a whole—not just the needs of providers who use their products, says Jason Gaines, Vice President, WestHealth and Regional Specialty Services, Allina Health, Minneapolis, MN.

“Companies need to understand an organization’s priorities before they walk in the door,” Gaines says. For most C-Suite executives at IDNs and ACOs, these priorities center on the Triple Aim of improving quality, enhancing the patient experience, and reducing costs.

Read on to learn more about key IDN and ACO needs, as well as some of the questions your sales team should consider when developing solutions to meet those needs.



Proven Education for the Life Sciences.

Content

page

- 4 The Need to Manage Population Health
- 6 The Need to Share Data
- 7 The Need to Engage Providers
- 8 The Need to Maintain or Reduce the Total Cost of Care
- 9 The Need to Satisfy Employers
- 10 The Need to Think Beyond Acute Care
- 11 The Need to Address Social Determinants of Health
- 12 The Need to Improve the Patient Experience



“No ACO and no future reimbursement strategy is going to be successful without dealing in some way with population health management,” says L. David Harlow, III, PharmD, Assistant Vice President for Professional Services, Martin Health System, Stuart, FL. The three-hospital system includes more than 120 employed providers. *“We don’t define ourselves as an ACO, but we are certainly beginning to act like one,”* Harlow says.

Case in Point: Leaders at Martin Health have been focused on the top 5% of patients who are responsible for 50% of their system’s healthcare costs. Specifically, leaders are targeting approximately 200 patients that have been readmitted multiple times or whose disease is not well managed. *“For integrated, community health systems like Martin Health, it becomes a question about bandwidth. What can we reasonably tackle with the resources that we have? So we are tackling the sickest of the sick to start,”* he says.



Most ACOs in the Medicare Shared Savings Program (MSSP) start by developing strategies to reduce readmissions in patients with heart failure, diabetes, coronary artery disease, and COPD. On the other hand, ACOs engaged with commercial payers may have different focus areas depending on the demographics of their population, says Brendan Cullinan, MD, Vice President, Medical Director for Population Health and Ambulatory Services, North Memorial Health Care, Robbinsdale, MN. His health system includes three hospitals and multiple primary care, specialty, and urgent care clinics.

For a younger population, an ACO's focus may be on managing maternity patients, perhaps through early identification of high-risk pregnancies. For an older cohort, the priority may be battling obesity, joint problems, back pain, and depression. *"These conditions typically lead to higher cost care in older populations,"* Cullinan says.

Healthcare sales professionals should have a solid understanding of the IDN's or ACO's population health strategy, including which patients are the top priorities.



Questions to Consider

-  What are the demographics of the customer's market?
-  What does the quality data reveal about the customer's key challenges in managing patients with chronic diseases?
-  What technology does the IDN or ACO have to help manage these patients (eg, predictive analytics tools, enterprise data warehouse, etc)
-  What products or services does my company offer that can help customers manage their chronic disease patients?



IDNs and ACOs need to share data with payers to be effective at managing population health. Renown Health, Reno, NV, relies on payer claims data for quality, financial, and utilization reporting. *“We’ve walked away from some commercial ACO opportunities because they weren’t willing to give us the claims data,”* says Kirk Gillis, Vice President of Accountable Care. *“We simply can’t take on risk if we don’t know what we’re managing.”*

Sharing data among providers also is critical. IDNs and ACOs like Geisinger Health System, Danville, PA, are using health information exchanges (HIEs) to share patient information across the continuum of care. *“It’s really important to have an infrastructure that allows sharing,”* says Denise Prince, MPH, MBA, System Vice President, Value-Based Care, Geisinger, and Chief Administrative Officer, Keystone ACO.

Geisinger is an integrated delivery system that includes a 1,000-physician medical practice, six hospitals, and a health plan with 500,000 members. *“Our sweet spot is in using electronic health records and using the data to inform our practices,”* Prince says.

Healthcare sales professionals should understand their customers’ level of IT adoption, which influences their ability to engage in population health management and risk-sharing agreements.



Questions to Consider

-  Does the IDN or ACO have an enterprise-wide HIE or participate in a regional HIE?
-  Is the IDN or ACO recognized as a “Most Wired” hospital?
-  Does the IDN or ACO employ an informatics team to develop order sets in the EHR?



Like many ACOs, North Memorial Health Care uses data to identify practice variation and help providers improve their performance on key metrics. *“For many providers in the community, the notion of being in an ACO is quite abstract,”* Cullinan says. *“But if you can give them reporting from the collaborative perspective, you can engage them more. For example, if you give physicians a list of their 10 sickest heart failure patients, you can work with them to identify better ways to manage these patients and prevent them from being hospitalized.”*

Similarly, Renown Health consolidates quality, financial, and utilization data into a one-page monthly dashboard for physicians. *“It shows them how they are performing against their benchmarks and against their peers,”* Gillis says.

Healthcare sales professionals should understand the level of physician employment and IT integration in their market, which can influence provider engagement.



Questions to Consider

-  Does the IDN or ACO have a large employed medical group?
-  Do providers share the same electronic health record?
-  Which quality or financial metrics are tied to compensation of employed physicians?



ACOs use a number of metrics to track their overall spend on a population, including what the ACO spends per member per month (PMPM). They also monitor metrics like ER utilization, readmissions, generic versus brand medication use, and use of higher cost biologics.

A key issue for many health systems is managing pharmacy spend. *“The pharmacy spend is trending double digits in the wrong direction,”* Gillis says. *“We are working with our pharmacy benefit manager, which provides the services and data for the health plans we support, to look at prescribing patterns, cost, brand versus generics, specialty drugs, and durable medical equipment.”* It is too early to know if increased pharmacy spending has contributed to lower medical spending, he adds.

Standardization should help IDNs and ACOs as they work to contain costs. *“We have pockets of population health best practices in our healthcare delivery system, but we need to take those pockets and convert them to standards that we can deliver across the entire enterprise, across the entire continuum, for every population and patient we serve,”* Gillis says. He believes this will lead to more cost-effective care and provide more consistent, high-quality care down the road. Healthcare sales professionals should understand the factors that are driving up costs before they have a meeting with a C-Suite executive at the IDN or ACO.



Questions to Consider

-  Has the ACO been able to demonstrate savings in the Medicare Shared Savings Program? If not, why not?
-  Is the IDN or ACO entering into more risk-sharing arrangements with commercial payers?
-  What percentage of the customer’s patients are self-pay? Medicare? Medicaid?
-  Does the IDN or ACO have an established health plan, or are they considering adding a health plan?
-  What products or services does my company offer that can help customers reduce the total cost of care?
-  What health economics and outcomes research (HEOR) studies would be valuable to share with the customer?



The cost of providing healthcare benefits to employees is growing faster than the overall rate of inflation, according to several surveys. *“Health systems like ours are reaching out to employers and asking what we can do to keep their employees healthy and their costs down,”* Cullinan says.

Increasingly, employers are asking IDNs and ACOs to take on more risk for managing the health of their employees. Some employers, such as Boeing, Intel, and Lowe’s, are contracting directly with health systems on narrow networks and bundled payment arrangements. Healthcare sales professionals should not overlook the importance of employers as direct contracting becomes more common.



Questions to Consider

- ④ What are the key employers in the market? Do they self-insure or do they use a health plan?
- ④ Does the IDN or ACO have any direct contracts with employers to manage the health of their employees?
- ④ Are they involved in any exclusive care contracts with IDNs and ACOs in the market?
- ④ What products or services does my company offer that can help reduce or maintain the total cost of care, which could help slow premium increases?



“The post-acute world is a whole new one, even for Geisinger,” Prince says. Geisinger has had home health, hospice, skilled nursing, and home infusion assets, but now these services are becoming more important for reducing the total cost of care. With bundled payments and Medicare’s new emphasis on Medicare spending per beneficiary, what happens after the patient leaves the hospital is now the hospital’s responsibility, Prince says.

For example, Geisinger is piloting a hip and knee replacement bundle. Now, providers at Geisinger are proactively discussing post-acute services that patients may need, such as home care, before patients come into surgery. *“The bundle pilot encourages us to have conversations that we’ve never really had before,”* Prince says.

Healthcare sales professionals should recognize that C-Suite executives are looking for new ways to partner with post-acute providers on strategies to reduce readmissions, which may include the use of care coordinators or ACO-employed physicians who “round” on nursing homes to check on recently discharged patients.



Questions to Consider

- ① Does the IDN or ACO have an affiliated network of post-acute providers, such as nursing homes and home health agencies?
- ① Is the customer involved in or considering piloting bundled payment initiatives that include post-acute care?
- ① What resources does my company provide that can help ease transitions across the continuum of care?



Increasingly, IDN and ACO executives recognize that social factors like poverty and substance abuse contribute to the medical burden of populations they serve.

“Part of a health system’s role is to come to terms with the behavioral and social issues that so confound the medical care of patients,” Cullinan says. For example, North Memorial Health Care uses community paramedics to make house calls and identify issues, such as lack of transportation or nutrition, which could compromise patients’ health.

Healthcare sales professionals should inquire about resources their company offers for low-income patients or those with behavioral health issues that can affect clinical outcomes and drive up costs.



Questions to Consider

-  How connected are community resources in the market? Is there a central hub to access these services?
-  What are some of the key public health challenges in the region?



New value-based payments models are putting IDNs and ACOs on the hook if patients are not happy with their care.

Beyond the financial ramifications, healthcare executives recognize that a good patient experience may improve clinical outcomes and boost patient loyalty.

Some IDNs and ACOs are implementing shared decision-making tools that increase communication between patients and providers. *“We are evolving to a shared decision-making model, and part of the role of the provider is to understand the values of their patient and walk with them to make decisions, always reflecting back on what the patients’ values are,”* Cullinan says. Healthcare sales professionals should put the patient first in their discussions with IDNs and ACOs.



Questions to Consider

-  Does my company offer unbranded, shared decision-making tools that would be useful to the IDN or ACO?
-  Does my company offer resources to help improve patient-provider communication around medication use?



Want to learn more about the needs of IDNs and ACOs?

Subscribe to the **Market Access Insider Experience**, which gives your sales team access to CMR Institute's extensive network of executive leaders on the forefront of healthcare innovation.

For more information, please visit

www.cmrinstitute.org/marketaccess





Proven Education for the Life Sciences.

844.790.3021 | solutions@CMRinstitute.org | CMRinstitute.org