Accountable Care Organizations
Technology Framework

Overview
Introduction

The “accountable care organization” (ACO) is a major topic of discussion in American health policy. While the ACO label has been around since 2006, it was mentioned in numerous healthcare reform bills proposed in 2009 and was ultimately included in Section 3022 of the Patient Protection and Affordable Care Act (ACA) as the Medicare Shared Savings Program. The ACA's ACO provision covers Medicare ACOs.

It is important to note that prior to the passage of the ACA, there had been a number of private-sector efforts to form ACOs, initiated by physician-led health systems, integrated delivery systems, commercial payers and other types of organizations.

Commercial ACOs, which have been described in a variety of ways, are distinct from Medicare ACOs in that a commercial payer, rather than Medicare, is the entity providing the financial incentives for quality and cost performance to the provider organizations.

Based on public policy research and analysis, experience working with over 800 healthcare provider and payer organizations, input from clients developing ACOs, and extensive market research (including literature review and nationwide focus groups involving leading payer and provider organizations), MedeAnalytics has developed the following ACO Technology Framework that lays out and describes the technology components needed for both Medicare and commercial ACOs.
“HIT investments to achieve ACO status will go well beyond those required to address other current HIT trends, such as meeting EHR meaningful use criteria, converting to ICD-10 coding standards, and evolving pay-for-performance and value-based purchasing initiatives.”

– Tom Enders, et al.,
Health Information Requirements for Accountable Care, 2010

<table>
<thead>
<tr>
<th>Technology Component</th>
<th>Definition</th>
<th>Examples</th>
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| Financial Infrastructure | Ability to accept, track and allocate payments associated with performance results | • Validate budget goals based on beneficiary population  
• Track performance payments received  
• Administer chosen payment methodology to participating providers (distribution of the ACO’s portion of the shared savings) |
| Reporting Infrastructure | System to share performance data (e.g., clinical quality, financial) with the payer, governance team and relevant stakeholders | • Monthly performance reports  
• Population management trends (disease management and case management)  
• Utilization and practice variation reports |
| Performance Management | Dynamic scorecards, dashboards, and summary and detail reports supported by proactive alerts and work lists in a collaborative environment | • Disease-specific dashboards (e.g., diabetes, COPD, CHF)  
• Comparison of actual results to benchmark data and performance targets (e.g., ALOS, avoidable readmissions, preference-sensitive care)  
• Adherence to evidence-based medicine |
| Data Aggregation | Meaningful joining of data from payers, hospitals, physicians and other ancillary providers to create a holistic view of a population’s care experience | • Aggregation and sharing of administrative and clinical data from various disparate sources (e.g., facility and professional claims, lab, radiology, pharmacy, authorizations and census data)  
• Shared disease registry that is accessed and enriched by all |
| Clinical Data Exchange | Compilation and sharing of patient-specific data to aid in diagnosis and treatment | • Hospital shares detailed procedure information and discharge plan with patient’s primary care physician  
• Physician shares outpatient care history (including pharmacy, labs and radiology) with admitting hospital |
| Role-Based Security | Secure, online environment which allows for controlled access to and sharing of data on a variety of levels between stakeholders | • Access to aggregate cost and quality trends by governance and project teams  
• Secure repository for shared aggregate and detailed data  
• Sharing of patient-specific clinical data between responsible caregivers |
Additional Information

For more information about ACOs, please visit MedeAnalytics’ ACO Resource Center at www.medeanalytics.com/aco, which features background information and reference materials, complimentary white papers, and links to leading online resources.

About MedeAnalytics

Founded in 1994, MedeAnalytics delivers performance management solutions across the healthcare system—including hospitals, physician practices and payers—to ensure accountability and improve financial, operational and clinical outcomes. The company provides the essential building blocks for both Medicare and commercial ACOs, including clinical data exchange, data aggregation, performance management and role-based security. For more information, visit www.medeanalytics.com.