WHAT IS AN ACCOUNTABLE CARE ORGANIZATION?
Accountable Care Organizations (ACOs), while still evolving, are expected to connect groups of providers who are willing and able to take responsibility for improving the health status, efficiency and experience of care for a defined population. An effective ACO model will include:

- **People-centered foundation** that designs the ACO from a population’s perspective to foster better engagement, satisfaction and increased accountability for health.
- **Health homes** that deliver primary care and manage health and wellness.
- **New approaches to primary, specialty and hospital care** to reward coordination, efficiency and productivity.
- **Tightly integrated relationships with specialists, ancillary providers and hospitals** so they are similarly focused and aligned to achieve high-value outcomes.
- **Provider/payer partnerships and reimbursement models** that incent improved outcomes, rewarding value over volume.
- **Population health IT infrastructure**, including health information exchanges to enable coordination across provider networks.

WHY CREATE AN ACO?
There is broad recognition that the current fee for service model creates perverse incentives that lead to unsustainable spending, inefficiency, misuse of services and poor care coordination. Accountable Care Organizations (ACOs) are widely viewed as a way to transform healthcare delivery to address these concerns simultaneously.

Moving to more integrated and coordinated systems of care will occur over the coming years, as CMS as well as other payers are very interested in a pay-for-value approach. In this environment, physicians, insurers and hospitals may define themselves as ACOs and look for the opportunity to move to a value-based reimbursement system. Given these trends, hospitals and health systems need to assess their markets and the steps required to transition from today’s fee for service system to one that encourages and rewards accountability.
PREMIER’S ACO COLLABORATIVES
An effective ACO will require a very different set of operating activities than those of today’s typical hospital system. Success will depend on the ACO’s ability to improve care across all sites of care in a community. These new activities will be broader in scope, addressing all inpatient and outpatient care, and applicable for a much larger and different population than hospitals have faced in the past.

Addressing this larger scope of activity will be difficult even for the most advanced systems. To assist members in developing these capabilities, Premier’s ACO Collaboratives will:

- Speed implementation and lower the risk of developing market leading ACOs, providing expert input needed to build key ACO operating activities such as health homes, bundled payment models, population data management and IT.
- Evaluate population health information infrastructure, including electronic medical records, that enable community-wide care coordination efforts.
- Work toward early ACO contracts with CMS and other payers.
- Create shared toolkits, best practices and contracting models to facilitate the goals of accountable care (i.e., lower costs, improved quality and increased patient satisfaction).
- Develop standard performance metrics to manage population health, identify improvement opportunities and enhance market position with payers, employers and government.
- Position Premier Collaborative members as the national leaders in improving the value of our healthcare system.

PREMIER’S COLLABORATIVE METHODOLOGY
Premier’s collaborative methodology is a disciplined, measured and organized performance improvement mechanism that has demonstrated impressive results. Just as we used the power of collaboration to test value-based purchasing in the Hospital Quality Incentive Demonstration (HQID) and achieve top performance with the QUEST: High-Performing Hospitals collaborative, we have an effective methodology for building and sustaining change.

Establish goals: Create a definition of areas to be addressed and what the collaborative will do to fulfill its mission.

Define consistent measures of success: Collaborative members and Premier together commit to common measures that will be used to improve defined outcomes.

Data collection and normalization: The collaborative uses standardized data sets to meaningfully compare results across participants.

Transparency: Participants commit to the open sharing of performance data across the collaborative. In doing so, participants can easily identify top performers and learn from them to create similar quality gains in their own organization.
Driver analysis and collaborative execution: With transparent data, collaborative participants have the information to determine what factors can drive inconsistencies or sub-optimal outcomes. Using that analysis, the collaborative can set performance targets, identify opportunities for improvement and establish areas of focus.

Share best practices: Participants share lessons and best practices across the collaborative to ensure that all members can learn from one another to realize improvement gains. Best practice sharing can occur a number of different ways, including educational meetings, resources and materials and knowledge transfer tools to facilitate communications and distribution of materials across participants.

Performance improvement analysis: Premier continually analyzes performance data of the collaborative participants as a cohort and individually to pinpoint trends and opportunities that will drive performance and achieve the goals.

TWO COLLABORATIVE TRACKS
To assist members in developing accountable care capabilities, Premier is creating two collaboratives: The ACO Implementation Collaborative and the ACO Readiness Collaborative. The ACO Implementation Collaborative will consist of members who can pursue accountability for a portion of their population today, evolving from fee for service to value-driven business models by modifying existing payer contracts. The ACO Readiness Collaborative will work to develop the organization, skills, team, operational capability and tools necessary to become an ACO and ultimately join the Implementation Collaborative.

NATIONAL LEADERSHIP
Premier will bring together a broad range of stakeholders to guide the design and direction of the ACO Collaboratives. Members of the external Advisory Panel will include national thought leaders from government, patient advocacy groups, providers, payers and academia.
ABOUT THE PREMIER HEALTHCARE ALLIANCE, MALCOLM BALDRIGE NATIONAL QUALITY AWARD RECIPIENT

Premier is a performance improvement alliance of more than 2,400 U.S. hospitals and 70,000-plus other healthcare sites working together to achieve high quality, cost-effective care. Owned by hospitals, health systems and other providers, Premier maintains the nation’s most comprehensive repository of clinical, financial and outcomes information and operates a leading healthcare purchasing network. A world leader in helping deliver measurable improvements in care, Premier works with the Centers for Medicare & Medicaid Services and the United Kingdom’s National Health Service North West to improve hospital performance. Headquartered in Charlotte, N.C., Premier also has offices in San Diego, Philadelphia and Washington.

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