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Accountable Care NEWS

Catching Up with ...

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- Chair, Board of Directors, American Association for Physician Leadership
- Former Chief Clinical Innovation Officer, Fairview Health Services
- Former President/Chief Physician Executive, Carilion Clinic
- Former Chief Clinical Officer, Medica Health Plan
- Former Member, American Academy of Pediatrics' Committee on Child Health Financing
- Led one of the first accountable care organizations (ACOs)
- National Presenter/Advisor on ACOs, population health, clinical integration, value-based payment and other topics
- B.A. degree, biochemistry, Phi Beta Kappa and magna cum laude, Rice University
- Medical degree, Alpha Omega Alpha honors, Vanderbilt School of Medicine

Accountable Care News: *Are accountable care organizations (ACOs) delivering the value they promised when first introduced? Please discuss their current benefits and challenges since their initiation in 2011.*

Mark Werner: The ongoing ACO experience is very valuable, making important contributions to our understanding of value-based care and how we most appropriately and effectively continue to transform this industry. Actual results—in terms of quality of care, cost of care and patient experience—remain mixed; however, it is clear that improvements in quality outcomes have benefited the most from ACOs' ability to promote evidence-based medicine, manage variation in care across providers and apply data analytics. There is no doubt ACOs are creating some of the strongest improvements in quality outcomes we have ever seen, particularly for those health outcomes included in CMS' ACO measure set.

Reductions in cost of care are considerably more mixed. Most ACOs reduce costs, but not to the target levels desired by CMS and other key stakeholders. This is likely related to the degree in which ACOs understand the key medical expense cost drivers of their patient populations and the rigor with which clinical interventions are deployed. It is important to know the specific risk profile, medical expense drivers and clinical opportunities for improved care in order to address the medical expense trend. Implementing clinical interventions purposefully and with discipline remains a common challenge for ACOs.

ACOs' current benefits stem from their ability to bring clinicians together with accountability for performance, to provide the tools and infrastructure to understand their current clinical variation and gaps and to systematically transform clinical models. ACOs are tremendous learning labs for core capabilities—physician leadership and engagement, data analytics and care management—needed to successfully manage populations of patients. Their greatest challenges center around limited experience of physician leadership and the lack of necessary management structures and resources through which physicians assume accountability and manage care delivery.

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Physicians need and want the necessary skills to successfully navigate the new healthcare but like anyone experiencing rapid, broad change, they can feel vulnerable and distrusting. No one likes to be subordinated—physicians included—and we risk doing so if we do not adequately recognize healthcare is a clinical activity largely driven by the decisions physicians make. Physicians are aware and cautious about their role as leaders of healthcare transformation. Regardless of how this all turns out, their world and work will be different. Success will require physician leadership, engagement and a sense of ownership for the outcomes and performance of their healthcare systems.

Accountable Care News: *Are alternative payment models being accepted by the healthcare industry? Are some proving to be more effective than others?*

Mark Werner: Overall, it is becoming increasingly understood that new payment models need to be linked to value creation—outcomes and experiences—not just the volume of services rendered. However, the challenge remains in divining the journey from the current reimbursement state to the payment environment of tomorrow. Healthcare providers and systems need new revenue models that are better aligned with value-based care, and different operating platforms for population health accountabilities. While new payment models are accepted, healthcare providers have yet to sufficiently reconcile the necessary synergies with revenue models, clinical care models and operations. It is too early to say that one value-based payment model is proving more effective. This is due in part to the fact that each model is configured differently from the next and focused on varied patient populations. That being said, there is emerging consensus pressing providers toward global payments and sub-global payments for discrete service lines and episodes of care.

Accountable Care News: *How is your organization managing population health?*

Mark Werner: At the Chartis Group, we have developed a comprehensive framework for population health management (PHM) that begins with the creation of a clear and compelling vision and value proposition designed to unify the organization's leadership and clinicians. We believe that PHM must be based in a strong understanding of the patient populations that a healthcare provider serves and convey a clear value proposition to each of those populations.

Engagement of both patients and providers in efforts to address patient self-management, assure robust plans of care, close gaps in care, leverage technologies and enhance access to care are critically important, as is the use of strong data management and analytics to create actionable insight into care improvement and reductions of clinical variation. We believe PHM must build from a culture of engaged and aligned physicians who embrace teamwork, shared success, transparency and a patient-centered approach.

Accountable Care News: *One of your many accomplishments has been creating a joint venture between a large academic health system and a regional health plan. What were the objectives behind this partnership and how successful has it been? Why is integration so important?*

Mark Werner: Clinical integration refers to the planned and purposeful care of a defined population of patients with accountability for clinical outcomes, efficiency of care and consistent practice standards that advance quality and address unintentional clinical variation. It is a hallmark of population health management. Through clinical integration, physicians work together to establish consensus-driven best practices, leverage their shared learning, build on the insights of clinical analytics and consistently eliminate patient harm. As such, clinical integration is fundamental to ACOs, clinically integrated networks and to the success of all forms of value-based payments.

In regards to the joint venture, our main objective was to establish a strong foundation for PHM by leveraging complementary capabilities of each partner. Health plans bring strong analytics into medical expense drivers, variation in clinical care, risk profiles of patients and aspects of health management. Academic health systems can inform evidence-based practice, address the complexities of new and emerging treatments and manage their provider networks directly in a goal-oriented, accountable fashion. Both have shared incentives to improve quality, reduce cost of care and assure a patient-centered, excellence service experience. Fulfilling the promise of such a joint venture requires each party has a clear vision and value proposition, as well as a willingness to align economics and advance new care models together.