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Accountable Care NEWS

The Power of Physician Leadership in ACO Success

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ACO success is only possible with fully committed physician leaders, aligned with an organization's strategic agenda. Strong physician leadership and solid alignment among front-line clinicians enables the critical changes in clinical practice and care delivery that ultimately impact patient outcomes and financial results. While debate continues over the relative merits of different ACO organizational structures, our experience confirms that physician engagement and leadership is fundamental to ACO success regardless of the ownership model. As performance expectations, cost pressure and financial risk continue to escalate in an increasingly uncertain environment, engaging physicians as accountable "owner operators" of a clinical enterprise must become a strategic priority for all ACOs.

Physician Leadership Drives ACO Growth and Early Results

Physician leadership has played a powerful role in the overall expansion of ACOs. A 2013 *Health Affairs* study found that more than half of ACOs were led by physician groups, and an additional third were jointly led by physicians and hospitals. In addition, physicians constituted a majority of the governing board in 78% of ACOs and maintained ownership control in 40%.[1] While debate regarding ideal ACO size, ownership and governance continues, initial results suggest there is no "one-size-fits-all" formula.

Findings from the Centers for Medicare Medicare Shared Savings (MSSP) cost improvement can be achieved ownership structures—independent alliances, physician group/hospital systems.

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and Medicaid (CMS) Pioneer and programs have shown that quality and through a variety of different ACO single practices, multi-physician group partnerships and integrated health

ACOs sponsored by Independent primary care-based and multi-specialty physician groups showing early success include Coastal Carolina Quality Care in North Carolina, Palm Beach ACO in Florida and Privia Quality Network in Virginia. Examples of physician group/hospital partnerships include Heritage Provider Network and Trinity Health, and some of the hospital-led systems are Partners Healthcare in Massachusetts, Montefiore Health in New York and Banner Health Network in Arizona.

While a variety of factors can impact initial ACO savings levels and quality performance, including population characteristics, historic utilization and cost levels and opportunity for improvement, we believe engaged, aligned and most importantly, committed physicians are a primary determinant of ACO success. Only physicians can create the needed synergy across clinical, operational and financial realms within their medical groups to achieve top-level performance.

Accomplished physician leaders bring strong business acumen, along with clinical excellence and effective behavior management techniques. They are uniquely able to engage and influence their colleagues and have tough conversations that enable shared accountability for all performance elements, including quality, cost and experience, and are most effective at translating and aligning administrative and physician perspectives.

Physician leaders at the table impact every aspect of ACO operations and economics, from grounding discussions in quality and a patient-centered perspective to reframing budget allocation priorities to demanding focus on improved medical status and health of a population. There is simply no substitute for physician leaders' unique abilities to drive the health and economic outcomes that lead to overall ACO success. **ACO Competencies Demand Physician Leadership and Action**

At the core of the accountable healthcare enterprise is physician and clinical operation. Physicians must be positioned as owner operators of a clinical enterprise, responsible for driving the operational and clinical changes and competencies that are fundamental to ACO success:

1. **Transformation of clinical practices.** Fully committed physician leaders with the authority and capability to drive clinical change are uniquely able to identify and appropriately scope required changes in clinical practice and decision making, and to energize a physician base and hold their peers accountable for change required to reach performance goals. Physicians can most effectively communicate the need for change; translate performance data into information that is meaningful and actionable by other clinicians; guide implementation of new clinical practices, processes and policies; and encourage colleagues to engage in the shared mission to improve care delivery, value and patient experience.

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2. **Physician-led, team-based care delivery.** Physician leadership is critical to guiding the shift from the traditional clinical care model to a physician-led, team-delivered approach that enables improved clinical, operational and financial out-comes. In the new model, physicians on the frontlines take on greater team leadership and direction responsibilities and are more involved in process improvement and balancing clinical and administrative priorities on a patient-by-patient level.

   With delegated responsibilities for each team member—physician, nurse, case manager and front-office staff—new processes designed to ensure that each team member is working at the top of his or her license and effective decision-support tools in place, a physician-led, team-based model supports optimal and expert patient care across a continuum.

3. **Effective population management across a continuum.** Physician leadership plays a vital role in effectively managing patient transitions across levels and sites of care—a time when patients are most vulnerable to system breakdowns in communication and coordination. Physicians are integral in the development and implementation of sophisticated patient management capabilities and solutions that are scalable to address the needs of a full population, from lower risk patients to those patients with the most complex conditions. One of the challenges for newly formed ACOs is how to better manage care that is provided elsewhere and coordinate inpatient/outpatient-post acute transitions. Physician leaders are uniquely able to facilitate strong relationships between primary care physicians, specialists, hospitalists and post-acute providers to improve patient transitions into and out of a hospital, and reduce inpatient length of stay and avoidable admissions and emergency department visits.

4. **Meaningful performance measurement, reporting.** Physician leadership in the development, reporting and communication of performance metrics is critical to ensure broad adoption, adherence and alignment around targets, approach and consequences. Determining appropriate metrics at the system and local level is a complex task, and physician involvement is essential. To be valuable, each metric must be clearly tied to system-level goals and represent meaningful outcome differences that result in real performance improvement for an organization and improvement in the health of individuals and populations. Physicians are best able to communicate with their peers regarding current and expected levels of performance at the individual and team level, and ensure that metrics are accepted as relevant, achievable and fair.

5. **Engagement of patients, families.** Physicians play a vital role in engaging a patient/family as an active and valued care team member with shared responsibility around medical decision making and day-to-day condition management. Physicians must take the lead in setting the expectations and creating the environment for an informed partnership between a physician and patient that ultimately improves health outcomes. Empowering patients and families to become more vocal, active participants in their own care and effectively self manage aspects of their condition leads to better chronic disease outcomes and is integral to managing the health of large populations.

Developing, Positioning Physicians to Drive ACO Success

ACO success requires organizations to position, empower and support their physicians to drive the fundamental clinical and operational changes necessary for sustainable performance gains. Building physician leadership capability at all levels within an organization and engaging physicians in all aspects of performance improvement, as early and as broadly as possible, is essential.

Specific action steps include:

- Identify potential physician leaders early and create physician alignment necessary to fully support enterprise strategic requirements and capabilities.
- Position physician leaders successfully as owner operators of a clinical enterprise at every level, from entity to care team, with management capabilities that drive performance. Develop ongoing training programs at all levels.
- Leverage physician leaders to clearly articulate an organization's goals and educate physician colleagues on quality and utilization impact.
- Engage physicians to lead clinical change management required for highly reliable, consensus-driven excellence in clinical outcomes, and encourage physicians to develop specific quality improvement clinical interventions.
- Build physician business acumen through training/role development and position physicians to manage and optimize revenue (e.g., clinical documentation improvement, revenue cycle, gain-sharing, global budgets); address and enhance access/capacity/panel; and manage referrals and primary specialty care relationships.
- Ensure physician leaders are diffused throughout an entire ACO structure—not just in the quality and compensation area—to ensure high-level performance and alignment with physician-directed goals

Building robust physician leadership should be a strategic priority for all ACOs, regardless of the ownership model. Success depends on developing, supporting and leveraging aligned, accountable physician leaders able to drive a real and lasting clinical change integral to ACO success.

[1] Colla CH, Lewis VA, Shortell SM, et al. "First National Survey of ACOs Finds That Physicians Are Playing Strong Leadership and Ownership Roles." *Health Affairs*. June 2014;33(6):964-971.

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