CDC HEALTH POLICY SERIES

Opportunities for Enhanced Collaboration

Public Health Departments and Accountable Care Organizations



The United States health care and public health systems are currently undergoing the most significant transformation since the establishment of Medicare and Medicaid in 1965. Within these changes lies tremendous opportunity to improve health as more of the U.S. population is covered by health insurance.

This brief focuses on the interface of public health departments and ACOs and highlights opportunities for enhanced collaboration between the two entities. Specifically:

- Public health might act as a convener of ACO partnerships.
- Public health can provide analysis of population health data, surveillance, needs assessment, and outcome evaluation.
- Public health can be a direct service delivery
 partner by providing primary care services or wrap
 around services such as care coordination.

An Accountable Care Organization (ACO) is an integrated delivery system in which a group of health care professionals or organizations enters into a formal agreement with a payer such as Medicare to deliver improved cost, quality, and health outcomes for a defined population of patients. ACO payment models vary by ACO depending on the amount of risk that providers are prepared to assume.¹ However, achieving cost savings and realizing shared savings is a fundamental goal for all ACOs. This health care delivery and payment model replaces traditional fee-for-service with a reimbursement approach that provides financial incentives for providers to prevent illness and injury. Public health has a unique opportunity to partner and collaborate with ACOs to jointly inform their future as the health care delivery system transforms from paying for patient encounters to paying for outcomes. This brief outlines the strengths public health brings to this growing delivery and payment model.

Introduction

In order to best appreciate how enhanced collaboration between public health and ACOs could improve population health, it is helpful to understand the different types of ACO and ACO-like entities. Medicare ACOs, Medicaid ACOs, private ACOs, and ACO-like models of care are described below.

Medicare ACOs

The Affordable Care Act (ACA) established ACOs as a formal health care delivery arrangement as part of the Medicare Shared Savings Program (MSSP).² The MSSP rewards ACOs that lower their growth in health care costs while meeting performance standards on quality of care.3 Centers for Medicare and Medicaid Services (CMS) also created the Medicare Pioneer ACO Model. which is distinct from the MSSP and is designed for health care organizations and providers that are already experienced in coordinating care for patients across care settings. It allows provider groups to move more rapidly from a shared

savings payment model to a population-based payment model on a track consistent with, but separate from, the MSSP.4 Sharedsavings arrangements are based on reaching specific quality and efficiency goals such as reducing emergency department (ED) visits, increasing the efficiency of specialists for high-risk patients, or providing coordinated clinical/social supports to improve health. As of May 2014, there were 338 MSSP ACOs and 23 Pioneer ACOs nationwide. 5 During the second performance year, Pioneer ACOs generated an estimated total savings of over \$96 million and at the same time qualified for shared savings payments of \$68 million. They saved the Medicare Trust Fund approximately \$41 million.⁶

Medicaid ACOs

The ACA does not formally mention ACOs in a Medicaid context, except in the case of pediatric ACOs, for which a demonstration project was authorized.⁷ Policies released by CMS in 2012 encouraged states to develop these integrated care models which include medical/health homes. ACOs, ACO-like models, and other arrangements that emphasize person-centered, continuous, coordinated, and comprehensive care.8 ACOs are likely to face particular challenges in addressing the health risks and needs of Medicaid beneficiaries who may be at higher risk for chronic illness due to the social determinants of health. One emerging Medicaid model is a Totally Accountable Care Organization - TACO. These organizations are responsible for services beyond medical care (for example, mental health, substance abuse treatment, and other social supports) and are also financially accountable for those services.9

A 2012 Commonwealth Fund review of the use of Medicaid ACOs reported that Colorado, Connecticut, Florida, New York, Utah, Vermont, Washington, and Wyoming had

 $^{2.\} PPACA\ \S3022,\ adding\ \S1899\ of\ the\ Social\ Security\ Act.\ Final\ ACO\ regulations\ can\ be\ found\ at\ 42\ C.F.R.\ \S425.100\ et\ seq.$

 $^{3.\} CMS.\ Shared\ Savings\ Program.\ 2014.\ Available\ at\ http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html?redirect=/sharedsavingsprogram/.$

^{4.} CMS. Pioneer ACO Model. n.d. Available at http://innovation.cms.gov/initiatives/Pioneer-ACO-Model/.

^{5.} CMS. Fast Facts - All Medicare Shared Savings Program and Medicare Pioneer ACOs. 2014. Available at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsaving-sprogram/Downloads/PioneersMSSPCombinedFastFacts.pdf.

^{6.} CMS. Fact sheets: Medicare ACOs continue to succeed in improving care, lowering cost growth. 2014. Available at http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2014-9-16.html. Sheets/2014-Fact-sheets-items/2014-09-16.html.

^{7.} PPACA §2706

^{8.} CMS. State Medicaid Directors Letter SMDL 12-001. July 10, 2012. Available at http://www.medicaid.gov/Federal-Policy-Guidance/downloads/SMD-12-001.pdf. SMDL 12-002 (July 10, 2012. Available at http://www.medicaid.gov/Federal-Policy-Guidance/downloads/SMD-12-002.pdf) provides detailed guidance on implementing the ICM model either as a state plan option or via a demonstration pathway, which may give states added flexibility to require enrollment.

^{9.} Somers S, McGinnis T. Broadening the ACA Story: A Totally Accountable Care Organization. Health Affairs Blog. January 23, 2014. Available at http://healthaffairs.org/blog/author/mcginnis/.

passed legislation either authorizing Medicaid ACOs or requiring the state Medicaid agency to study their use. 10 The report also noted that Minnesota had launched an ACO-like demonstration in order to encourage health care providers to come together in a more clinically integrated fashion, and Oregon approved ACO-like coordinated care organizations.

Private ACOs

Some regions, including parts of California, had large, multi-specialty physician groups self-initiate to become ACOs by networking with neighboring hospitals. In other regions, large hospital systems are buying physician practices with the goal of becoming ACOs that directly employ a majority of their providers. Some of the largest health insurers in the country, including Humana, United Healthcare, and Cigna, are also forming their own ACOs. Large

In 2012, 8 states passed legislation either authorizing ACOs in Medicaid or requiring the state Medicaid agency to study their use.¹⁰

insurers have the advantage of being able to analyze patient data across providers, supporting evaluation and reporting.

Other ACO-like models

Finally, as with other health care innovations, some emerging ACO-like organizations adopt some characteristics of ACOs but do not follow the legal/regulatory requirements and funding arrangements. Many of these new types of organizations, such as Accountable Care Communities (ACCs) or regional care collaboratives, are specifically focused on population health and social determinants of health such as housing quality. Some of these types of organizations are partnering with public health departments because they value the skills and expertise that these partnerships bring to their initiatives.

How Payment and Delivery Is Changing with the ACA

ACOs are one of the primary ways the ACA seeks to reduce health care costs by encouraging doctors, hospitals, and other health care providers to form networks that coordinate patient care, becoming eligible for shared savings when they deliver care more efficiently and effectively.¹¹ Entities that form Medicare ACOs and carry out ACO responsibilities are potentially eligible to share in any savings achieved through improved quality and more efficient health care delivery.

Opportunities for Public Health

Public health might act as a convener of ACO partnerships

In fulfilling its obligation to mobilize community partnerships and action to identify and solve health problems, public health can convene ACO partners, including safety net and other providers, community stakeholders, payers, businesses, and others. This convening could be organized around targeted prevention efforts (e.g., preventing obesity or readmissions among the ACO population) or around geography. As part of this convening role, public health staff can lead or serve on advisory groups, lead or join a community stakeholder/ engagement group, or lead or guide a community needs assessment.

^{10.} Bachrach D, Bernstein W, Karl A. High-Performance Health Care for Vulnerable Populations: A Policy Framework for Promoting Accountable Care in Medicaid. The Commonwealth Fund; 2012. Available at http://www.commonwealthfund.org/Publications/Fund-Reports/2012/Nov/High-Performance-for-Vulnerable-Populations.aspx.

^{11.} Kaiser Health News. FAQ on ACOs: Accountable Care Organizations, Explained. Available at http://www.kaiserhealthnews.org/stories/2011/january/13/aco-accountable-care-organization-faq.aspx.

Promising Practices: Public Health as a Convener

Create a formal organization with business associate agreements

When Hennepin County, Minnesota, experienced an increasing demand for social and safety net health services along with a decreasing health care budget, the Hennepin County Human Services and Public Health Department leveraged the authority granted to them by Statute 256B - Hennepin and Ramsey Counties Pilot Program.¹² They convened leaders from Hennepin County Medical Center (a safety net hospital), Metropolitan Health Plan (a nonprofit, state-certified health maintenance organization), and NorthPoint Health and Wellness Center (a Federally Qualified Health Center) to develop Hennepin Health. The four organizations became an ACO through a business associate agreement that defined shared financial risk.

Coordinate between clinical providers and community partners

In 2011, the Austen BioInnovation Institute (ABIA) in Akron. Ohio. demonstrated its intent to establish an Accountable Care Collaborative (ACC) to focus on innovation and research to achieve community health goals. In partnership with Summit County Public Health (SCPH), they established the Wellness Council within the ACC structure and brought together many non-traditional partners (e.g., Legal Aid, the Park System). Together, these partners were able to establish or update a number of programs, such as a community care coordination phone line through SCPH that makes referrals to community partners.

Create the infrastructure to address community needs

Colorado's Accountable Care Collaborative (ACC) aims to transform the Colorado Medicaid program into a system of integrated care for members and lower costs for the state. Medicaid members receive the regular Medicaid benefit package and also belong to one of seven Regional Care Collaborative Organizations (RCCOs). The Colorado Department of Health Care Policy and Financing provided latitude to the RCCOs to establish partnerships that best addressed the needs of their members. Consequently, the relationship between RCCOs and local public health agencies varies by region. In Region 3, the RCCO and the Tri-County Health Department are both members of the South Metro Health Alliance (SMHA), which aims to increase access to care and to improve health outcomes for their uninsured and underinsured populations. In Region 7, the director of the local public health agency in El Paso County serves on the RCCO's governance committee. Though there is no legislation that mandates relationships between public health departments and the RCCOs in Colorado, the RCCOs are contractually obligated to develop advisory committees and councils that include representatives from community agencies, advocacy groups, providers, members and their families, and other stakeholders.

Provide analysis of population health data, surveillance, needs assessment, and outcome evaluations

Keeping communities healthy requires enhanced capacity to assess, monitor, and prioritize risk factors that impact health outcomes.¹³ Public health has an unprecedented opportunity to leverage its expertise in population health metrics to help ACOs understand the epidemiology of their patient panels. Public health departments have historically analyzed community-level data related to risk factors and disease incidence, including chronic and infectious diseases, exposures, and access to care. They also have experience conducting needs assessments and outcome evaluations. Leveraging these skills, public health departments, in partnership with ACOs, can:

- Use public health data to define the ACO's chronic disease burden in order to target interventions to geographic areas of greatest need, such as neighborhoods with high rates of heart disease or diabetes.¹⁴
- Benchmark ACO patient populations against the larger community and track progress toward better outcomes.

^{12.} Passed by the Minnesota State Legislature in 2010, the statute gave Hennepin County the authority to conduct a demonstration project for newly eligible beneficiaries under the Accountable Care Act Medicaid expansion.

^{13.} Hacker K, Klein Walker D. Achieving population health in Accountable Care Organizations. Am J Public Health 2013;103(7):1163-1167.

^{14.} ASTHO. Accountable Care Organizations and Public Health. 2013. Available at http://www.astho.org/Programs/Access/Primary-Care/_Materials/ACO-and-Public-Health-Fact-Sheet/.

 Set up formal agreements with ACOs to share data and monitor progress toward outcomes, including real-time population health indicators to be included in an ACO's dashboard of quality metrics.¹⁵ Public health may be able to reinvest income earned from this activity to support core public health activities.¹⁶



Keeping communities healthy requires enhanced capacity to assess, monitor, and prioritize risk factors that impact patient health outcomes.¹³

Promising Practices: Public Health as a Source of Data Analytics



Use electronic records to share data across providers:

The Case Management Information System (CMIS), developed by Community Care of North Carolina (CCNC), is an electronic record used for care management activities across North Carolina. CMIS contains claims data and demographic information on Medicaid members, as well as tools for care managers. Health assessments, screening tools, care plans, health coaching modules, and disease management tools are available to case managers in order to ensure continuity of high-quality care for Medicaid members. Care coordinators in public or private care settings have the ability to use and enter data into CMIS. For example, Care Coordinated for Children care managers, who are employed by public health, document all services in the CMIS. The information is

used to identify patient needs and coordinate resources, as well as to monitor performance. Aggregate data from the CMIS is shared with local CCNC networks to monitor population health and implement targeted interventions.



Use data across services to identify high utilization:

In Hennepin County, Minnesota, the public health department, corrections department, health plan, hospital, public health clinics, and social services all have access to the same medical record system. Hennepin Health, the Medicaid ACO demonstration, uses a data warehouse to compare caseload overlap from welfare, social services, public health, and health care, enabling it to identify high-risk, high-utilization cases (such as patients experiencing homelessness) and coordinate services to lower costs and improve health outcomes.



Identify areas with highest need for wellness visits:

Summit County Public Health (SCPH) in Akron, Ohio, has provided grant-sponsored data services and analysis for the Akron Accountable Care Community (ACC) to demonstrate their value to community health and support their belief that all partners in the ACC share risk and, thus, should commit to improved community health. For example, they receive data each month from local HMOs and geocode these data to determine the specific areas where children are in highest need of wellness visits. In turn, SCPH can increase outreach in these areas. SCPH plans to develop a shared savings plan in which they can receive financial savings.

^{15.} ACOMetrics [homepage]. Available at http://www.acometrics.com/.

^{16.} Hacker K, Klein Walker D. Achieving population health in Accountable Care Organizations. Am J Public Health 2013;103(7):1163-1167.

Public health can be a direct service delivery partner by providing primary care services or wrap around services such as care coordination.

Public health departments can participate in the ACO model as a direct service provider, including care coordination, especially for hard-to-reach and vulnerable populations or for specialized services like HIV/ TB/STI—services where public health typically excels. The delivery of direct services may also provide an opportunity for public health departments to participate in ACO shared savings arrangements or to negotiate for direct funding for core public health functions.

Provide care coordination as a contractor to Accountable Care Collaboratives (ACC):

All Regional Care Collaborative Organizations (RCCO) in the Colorado ACC are obligated to provide care coordination services. In Region 7, the RCCO is planning to contract with local public health departments that are already providing care coordination to Medicaid members through Healthy Communities programs. The public health departments, in conjunction with local nonprofit organizations, will form RCCO-funded community action teams. Care coordinators from Region 2 are also collaborating with care coordinators from the Healthy Communities program of the Weld County Department of Public Health and Environment to ensure that

Promising Practices: Public Health as a Direct Delivery Partner

they are not duplicating efforts. The Colorado ACC program also provides \$1 per-member-per-month incentive payments to RCCOs and primary care medical providers based on their quarterly performance on four Key Performance Indicators, including well-child checks.

Coordinate across sole-purpose programs to improve efficiency:

Summit County Public Health (SCPH) in Akron, Ohio, cut traditional programs that no longer fit the new delivery model of the ACC, including a hypertension clinic that provided only medication. Instead, SCPH incorporated hypertension patients into a comprehensive care-coordination approach, ensuring all individuals were linked to a primary care provider and could receive medication as part of their integrated care. This restructured approach simultaneously saved money and improved care for their patients with hypertension.

Public health as a primary care medical provider:

The Colorado Accountable Care Collaborative's Statewide Data and Analytics Contract (SDAC) is responsible for analyzing Medicaid claims data to help attribute beneficiaries to a specific primary care medical provider (PCMP). Region 2 enrolled the Weld County Department of Public Health and Environment as a PCMP after claims data indicated that the department was the most frequently used medical provider for a significant number of community members. As a PCMP, the department receives fee-for-service payments for medical services provided, per-member-per-month payments for medical home services provided, and incentive payments for demonstrated

improvements on <u>Key Performance</u>
<u>Indicators</u>. The department believes that this shared model of community care management will best address the needs of its Medicaid population.

Coordinate services for high-risk children:

The North Carolina Division of Public Health (DPH), the North Carolina Division of Medical Assistance, and Community Care of North Carolina (CCNC) are partners in administering the Care Coordination for Children (CC4C) program and the Pregnancy Medical Home (PMH) program. CCNC is a public-private partnership between the state and 14 nonprofit regional networks—composed of hospitals, nurses, physicians, pharmacists, health departments, social service agencies, and other community organizations. CC4C is an at-risk population management program that serves children from birth to 5 years of age who meet a set of risk factors. CC4C care managers are employed through DPH and work closely with local CCNC networks and care management staff to coordinate services for high-risk children. CCNC and their participating practices receive enhanced per-memberper-month payments from Medicaid.

Coordinate medical, behavioral, and social service needs:

Care coordinators at Hennepin Health work to connect patients to services and resources that meet identified medical, behavioral, and social service needs. Several components of Hennepin Health, such as the Health Care for the Homeless clinics, are housed within the public health department. The department also operates several other clinics, including a refugee clinic and a mental health clinic.

Moving Forward

While there is no mandate in either the federal ACO legislation or CMS' guidance that requires ACOs to consult with or formally involve local public health, there are clear opportunities for public health departments to become part of this important new model. Public health is a recognized partner in the promotion of health and wellness and has an unprecedented opportunity to leverage relationships with ACOs and innovative partners. As ACOs look to lower costs and improve health outcomes, the focus is likely to expand to larger population health management approaches. This expansion from individual to population health means that public health's skills and expertise will be critical to the overall health of the community, which includes the ACO's patients. This new model—and other emerging models—represents opportunities for public health practitioners to promote their specialized skills and may also provide new sources of funding to sustain or enhance public health's core services.

Resources

In addition to the in-text links provided above, please see the resource links below for additional materials and documents on ACOs and each of the promising approaches discussed above.

Medicare Accountable Care Organizations

Centers for Medicare and Medicaid Services:

http://www.cms.gov/Medicare/Medicare-Fee-for -Service-Payment/ACO/

Centers for Medicare and Medicaid Innovation:

http://innovation.cms.gov/initiatives/aco/

Kaiser Health News Quick Primer:

http://www.kaiserhealthnews.org/stories/2009/july/17/aco.aspx

Kaiser Health News FAQ on ACOs:

http://www.kaiserhealthnews.org/stories/2011/ january/13/aco-accountable-care-organization-faq.aspx

Medicare.gov:

http://www.medicare.gov/manageyour-health/coordinating-your-care/accountable-careorganizations.html

Medicare Shared Savings Program FAQ:

http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/downloads/MSSP_FAQs.pdf

Promising Approaches

ACCOUNTABLE CARE COMMUNITY (AKRON, OHIO)

Accountable Care Community website:

http://healthyamericans.org/assets/files/ TFAH2013HealthierAmericaXrpt04.pdf

Healthier by Design: Creating Accountable

Care Communities. A framework for engagement and sustainability:

http://online.liebertpub.com/doi/pdf/10.1089/pop.2011.0106

Forbes article about the Akron intervention and engaging the community:

http://www.forbes.com/sites/robwaters/2013/12/18/health-innovators-in-akron-bring-accountable-care-to-the-community/2/

COMMUNITY CARE OF NORTH CAROLINA (CCNC)

Community Care of North Carolina (CCNC) website:

http://www.communitycarenc.com/

Case Management Information System (CMIS):

CCNC page:

http://www.communitycarenc.com/informatics-center/cmis/

State page:

http://www.ncdhhs.gov/ncfast/docs_libraryncfast/ CMIS%20Implementation%20Guide.pdf

Care Coordination for Children (CC4C) initiative:

CCNC page:

http://www.communitycarenc.com/emerging-initiatives/care-coordination-children-cc4c/

State page:

http://www.ncdhhs.gov/dma/services/csc.htm

Pregnancy Medical Home (PMH):

CCNC page:

http://www.communitycarenc.com/population-management/pregnancy-home/

State page:

http://www.ncdhhs.gov/dma/services/pmh.htm

COLORADO'S ACCOUNTABLE CARE COMMUNITY (ACC) AND REGIONAL CARE COLLABORATIVE ORGANIZATIONS (RCCOS)

RCCO newsletter including health promotion messaging:

http://www.mycommunitycare.org/wp-content/ uploads/2014/03/Member-Newsletter-February_ March_2014.pdf

Colorado's Statewide Data and Analytics Contract (SDAC) Fact Sheet:

https://www.colorado.gov/pacific/sites/default/files/ Statewide%20Data%20Analytics%20Contractor%20Fact %20Sheet 0.pdf

HENNEPIN HEALTH (HENNEPIN COUNTY, MINNESOTA)

Hennepin Health homepage:

http://www.hennepin.us/residents/health-medical/ hennepin-health

Public affairs brief describing Hennepin Health's approach:

http://www.hennepin.us/~/media/hennepinus/ your-government/projects-initiatives/documents/ Hennepin%20Health_Public%20Affairs%20 Summary%20-%20November%202013.pdf

MN statute authorizing the legislation:

https://www.revisor.mn.gov/statutes/?id=256B.0 756&format=pdf

AHRQ policy innovation profile:

https://innovations.ahrq.gov/innovation-category/policy-innovation-profile

Commonwealth Fund paper about health care reform in Minnesota:

http://www.commonwealthfund.org/~/media/Files/
Publications/Case%20Study/2013/
Mar/1667_Edwards_Medicaid_Minnesota_case_study_
FINAL_v2.pdf

Hennepin Health video, describing the program:

http://www.hennepin.us/healthcare

Partners for Kids (Columbus, Ohio)

Partners for Kids homepage:

http://www.partnersforkids.org/hcia/

Partners for Kids partner entities:

http://www.partnersforkids.org/resource/

Nationwide Children's program homepage:

http://www.nationwidechildrens.org/accountable-care-organization

Columbus Public Health homepage:

http://columbus.gov/publichealth/

Columbus Public Health tracks infant mortality data on a monthly basis:

http://www.columbus.gov/Templates/Detail.aspx?id=65904

About this Series

The passage of the Affordable Care Act led to changes in the U.S. health care and public health systems. With both now positioned to place greater emphasis on better care, smarter spending, and healthier people, there is a tremendous opportunity to improve population health as more of the population is covered by health insurance. To support this change, the Centers for Disease Control and Prevention, Office of the Associate Director for Policy, in partnership with NORC at the University of Chicago, experts at the Milken Institute School of Public Health at The George Washington University, and Population Health Systems, have produced a series of issue briefs highlighting opportunities for public health to support health system transformation.

Each issue brief is designed to provide practical guidance to state and local public health departments and to health systems, highlighting specific opportunities for public health and health care to engage to improve population health. Additionally, the briefs include success stories to demonstrate how state and local public health practitioners can collaborate with the health system to catalyze health system transformation.

Disclaimer

The findings and conclusions in this report do not necessarily represent the views of the Centers for Disease Control and Prevention.

Suggested Citation

Centers for Disease Control and Prevention. Opportunities for Enhanced Collaboration: Public Health Departments and Accountable Care Organizations. Atlanta, GA: CDC; 2014. CDC Health Policy Series, No. 1.



Centers for Disease Control and Prevention Office of the Associate Director for Policy

Office of the Associate Director for Policy Centers for Disease Control and Prevention

Mailstop D-28 | 1600 Clifton Road Atlanta, GA 30329-4027 www.cdc.gov/policy