

## How a Health Plan Prepped for an ACO Measurement Program



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### **Adopting the New Accountable Care Organization (ACO) Performance Measurement Program**

Since the launch of the Affordable Care Act, accountable care organizations (ACOs) have become an increasingly important way for health care organizations to improve patient care and reduce health care costs. In the past decade, hundreds of ACOs have been created nationwide. What's been missing, however, has been standardized and reliable ACO performance measurement and benchmarking.

A major health plan wished to effectively support and participate in a new standard measurement and benchmarking program for commercial ACOs being provided by a leading non-profit health care association. While the health plan had successfully launched several new ACOs in prior years, resulting in substantial gains in quality of care and cost reduction, it needed to ensure its preparedness to adopt the new ACO performance measurement program in time to align with its provider contracting deadlines, as well as meet its strategic goals.

In order to meet its tight timing requirements for adopting the standards of the new ACO performance measurement program, the health plan engaged [healthcare consulting firm](https://freedassociates.com) Freed Associates (Freed) to support

and drive its operational preparedness. Freed was selected for this engagement due to its expertise in ACOs, performance measurement and benchmarking, as well as its understanding and familiarity with this health plan.

## **ACO Strategy and Tactics**

The goal of the new ACO performance measurement program is to provide ACO participants with a comprehensive and meaningful understanding of commercial ACO performance, through aligned measurements, meaningful benchmarks and broad industry participation. Ensuring the health plan would be prepared to adopt the ACO performance measurement program's standards, however, would mean a multi-faceted, strategic adoption effort by the health plan. All of the health plan's preparedness work needed to be completed timely in order to meet its strategic goals and timelines.

Working in concert with the health plan's quality improvement department, Freed launched and managed the activities of five distinct workgroups engaged to address the requirements of the commercial ACO measurement program. These work groups were charged with overseeing the following main initiatives:

1. Developing a work plan, including a timeline, to ensure the health plan's readiness to adopt the commercial ACO program standards.
2. Facilitating dialogue among key health plan stakeholders – particularly within ACO operations, network management, enterprise analytics and informatics, actuarial management, clinical quality analytics, managed care finance, and provider communications – and representatives of the non-profit association managing and offering the ACO performance measurement program.
3. Developing and delivering to the health plan's legal department a quality standards appendix within its ACO collaboration agreement. This appendix would also reference an incentive program design, with three different design options, that the health plan could subsequently use in provider negotiations.
4. Developing and delivering internal and external communications around the new commercial ACO program, in order to educate both key health plan stakeholders as well as external provider organizations about this effort.
5. Developing and delivering a quality contracting training program for key health plan stakeholders.
6. Developing a care gap reporting tool, based on metrics established within the standard ACO performance measurement set.

Throughout all of these disparate efforts, Freed facilitated progress and alignment among all key internal health plan stakeholders, as well as with the non-profit association offering the ACO performance measurement program. The primary goal of this facilitation was to help the health plan proactively address all issues, questions and decisions regarding its adoption of the commercial ACO program.

## **Completing ACO Adoption Successfully and On Time**

Through the collaborative efforts of the health plan's quality improvement department and Freed, all major activities involving the health plan's adoption of the commercial ACO program were completed successfully and on time. In addition, Freed successfully transitioned all of its ACO measurement preparedness activities to internal client staff members for future handling. As a result of this work, the health plan is ready to fully incorporate and adopt the commercial ACO measurement program standards and requirements into its provider negotiations and contracts.