

## Groups pay physicians to keep patients healthy and save money

The last thing anyone wants is for their doctor to skimp.

And doctors don't want to shortchange their patients, which is why they get angry when an insurance company or a government agency questions the treatment he or she ordered.

On the other hand, every American knows that health care costs are rising faster than wages, and insurance premiums are cutting into family budgets. Health care costs need to come down, but we don't want anyone rationing our care.

To align everyone's interests - patient's, doctor's and insurer's - the Department of Health and Human Services has encouraged the creation of accountable care organizations, or ACOs, where doctors and insurers share the savings when aggregate costs come down and individual patients get healthier. And everyone benefits from lower bills and premiums.

"There is no relation between spending money and good health care," said Dr. Clive Fields, a primary care physician at Houston's Village Family Practice. "If I do a really good job of taking care of a diabetic, I will deprive them of kidney failure and blindness."

Village Family Practice is a member of the Accountable Care Coalition of Texas, which the federal Center for Medicare Services last week recognized as one of the best ACOs in the country. This coalition of independent physicians' groups saved the government \$16 million last year while providing verifiable high-quality care to 21,859 Medicare patients.

That earned the coalition \$6 million in bonuses, and most of their patients have no idea what an ACO is.

ACOs are formed by health care providers, usually doctors or hospital groups, who agree to work collaboratively to treat their patients. They sign a contract with Medicare or an insurance company, which supplies the ACO with claims data for those patients. The ACO hires analysts to understand the patients' needs and identify opportunities to prevent disease.

### *No rationing*

ACOs do not ration or limit care. Doctors and patients decide on a treatment plan without interference from insurers, and patients can see any provider that accepts their health plan.

The savings come from analyzing data to improve medical efficiency and disease prevention. Fields said the ACO model even makes it profitable to do house calls again.

"The idea of waiting for people to get sick and call us is kind of archaic. You don't do it with your dentist or your auto mechanic or your air-conditioning guy," Fields said. "If I took 15 minutes to help somebody lose weight or start an exercise model, I was never paid for that. ... Now, we are incentivized to take that time and intervene early."

### *Early warning system*

Erin Page, the executive in charge of the coalition, said the patient claims data help doctors identify problems, such as a patient who made 26 emergency room visits seeking prescription drugs without telling her doctor about her addiction. Or the senior citizen who had three specialists order three CT scans within a matter of weeks.

“We can see what’s happening from the patterns,” Page said.

Doctors are encouraged to look at all the patients in their practice collectively. Data analysis tells them how many patients are homebound and need house calls, or how many are at risk for diabetes.

“If you give me a list of my 50 sickest patients, I know how to take care of them,” Fields said, and that’s what Page and the ACO does.

Insurance companies and Medicare also know how much it should cost to take care of the group, and that’s how they set a price target for ACOs to meet to earn a bonus.

If they go over or patients complain they are not getting the care they need, the ACO gets nothing. If the ACO scores well on quality ratings and comes in under the cost estimate, the doctors share in the savings through bonuses and repayments.

Texas ACOs are doing better than the national average. The largest Medicare bonus for 2014 went to the Memorial-Hermann Accountable Care Organization, which received \$22 million for coming in 11 percent below Medicare’s expectations and therefore saving taxpayers \$52 million.

### *Slow to catch on*

The ACO model, though, has been slow to catch on, with only 353 groups receiving \$60 billion to treat 6 million Medicare patients nationwide. Patient costs were higher than expected at 45 percent of the ACOs, and Medicare has yet to see a net savings from the program, though federal officials say it will happen over time.

Page expects more doctors to join ACOs as it becomes increasingly difficult for a solo practitioner to meet the requirements for electronic health records and patient data analysis imposed by Medicare and insurance companies.

“Physicians have an entrepreneurial spirit. They want to be able to do what they do, day in and day out, without being told it’s based on production,” she said. “This model helps physicians remain independent, get the resources to care for their patients and also learn value-based medicine.”

### *Where it’s headed*

Competition in the future will pit physician-based ACOs against hospital-based ACOs, Fields said. His practice is now open evenings and weekends, and it is adding an urgent care center for the practice’s patients.

“If I weren’t sharing in some of these savings, I wouldn’t have an economic model supporting me doing that,” Fields said.

While change can be unsettling, patients should be happy to drop the current system that only pays doctors when we get sick or injured. The ACO model pays doctors to keep us healthy and save money. That’s what everyone wants.