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Defining High-Value Hospitals for ACO Partnerships

A leader's guide to potential partner assessment

As the health care industry moves toward population-based models of care, providers are seeking partnerships to help manage the continuum of services. Many will rely on existing partnerships while others will need to develop new relationships. The overall brief series is designed to give provider leadership guidance on how to begin the partnership evaluation process in a time when performance data is scarce. This brief looks particularly at hospital providers and the specific considerations that should be included in a qualitative assessment of a potential hospital partner.

AN ESSENTIAL PARTNER

In the transition to value-based health care, hospitals will serve as crucial partners to ACOs. Hospitals account for the largest portion of care most patients receive and consequently the bulk of the costs;¹ hospitals are therefore well positioned to make interventions that can result in immediate improvements on both cost and quality of care.² Additionally, in an industry long characterized by the individual practitioner and professional silos, hospitals have the most experience in terms of multi-disciplinary coordination – an essential competency in an ACO's effort to make health care more systematic.³ Finally, hospitals often hold the strongest brand in the communities where they reside stemming from both their high level of community involvement and frequent position as a large employer.⁴

OPPORTUNITIES FOR HOSPITALS IN AN ACO

Hospitals directly oversee much of the care spectrum during a patient's stay but also have additional opportunities to increase continuity of care before and after hospitalization through improved intake and discharge initiatives.⁵ Such a broad clinical stewardship also means that hospitals bring a key portion of the clinical data necessary for population management – which, combined with extensive experience in HIT and implementation, will greatly facilitate population health efforts. Hospitals will also be an effective partner in helping patients receive care in the most cost-effective settings possible through strategic ED triage and related initiatives.⁶ Hospitals can leverage community relationships to carry out more preventive care and patient education, as well as foster more effective care coordination by serving as a convener.⁷ The same high community profile, if properly harnessed, will aid in increased loyalty of patients – a particularly important factor for ACOs as they are accountable for attributed patients irrespective of where they receive their care.

EVALUATING HOSPITALS

ACOs should begin by analyzing all available quality, utilization, and safety data for potential hospital partners. However, even in situations where robust data are available, ACOs should use the information as a starting point for partnership conversations and not as the ultimate selection criteria. For a variety of reasons, data is likely not a good indicator of where an organization could be headed under completely different market dynamics. More importantly, data will not illustrate hospital

leadership's general attitude toward adopting new payment models and the progress they are willing to commit to in pursuing that transition. Moreover, in areas where geographic selectivity is hindered by a small pool of available partners, the approach will necessarily be more collaborative.

The following page includes a table with a list of suggested high-value indicators (or characteristics) along with potential questions for the evaluating provider to consider.

EXAMPLE HIGH-VALUE ATTRIBUTES

- Leadership is committed to new care & finance model
- Values patient experience
- Openness to sharing data with provider partners
- Dedicated to continuity of care
- Strong internal data systems
- Enthusiasm for quality & process improvement
- Willingness to take on risk

See page 2 for full table

METHODOLOGY

Research findings represent an 18-month project which included: (1) Literature review of resources discussing high value in health care; (2) Expert panel meeting with 13 leaders from a variety of health care sectors to establish high-value domains and provider categories; (3) Interviews with ACOs and provider associations to field-test high-value criteria; and, (4) Transcript coding and qualitative analysis of interview findings.

"Hospital" definition: An institution with organized medical and professional staff with inpatient facilities; provides medical and nursing care 24 hours a day and 7 days a week

Example settings:

- Community (general) hospital
- Specialty hospital
- Academic medical center (teaching hospital)

1. How Much Does the U.S. Spend on Health and How Has it Changed? KFF. **2.** The Impact of Accountable Care: Hospital Involvement with Accountable Care Organizations by Leavitt Partners and AHA. **3.** Accountable Care Systems for Comprehensive Health Care Reform" by Stephen M. Shortell. **4.** Bureau of Labor Statistics, number of people employed by hospitals. **5.** Accountable Care Organizations AHA Research Synthesis Report. **6.** From Volume to Value: The Transition to Accountably Care Organizations by the American Hospital Association. **7.** Hospitals and Care Systems of the Future by the American Hospital Association

HV DOMAIN	CHARACTERISTIC/ABILITIES	POTENTIAL CRITERIA
 Patient-centeredness	Values the patient experience	<ul style="list-style-type: none"> • Can they demonstrate that patient survey data influences major strategy decisions? • What is their patient experience reputation amongst community providers? • Do they have patient representation on governance boards?
	Fosters continuous relationships with the patient	<ul style="list-style-type: none"> • What is their patient attrition rate? • Do they have specific programs in place to encourage continuous relationships?
	Expands patient access to care	<ul style="list-style-type: none"> • Does their geographic footprint or location hours enhance physical access to patients? • How much will the spectrum of services available to patients increase under the partnership?
 High Value Culture	Leadership is committed to operating under a new care and finance model	<ul style="list-style-type: none"> • Can they demonstrate quality and cost improvement initiatives undertaken without direct financial incentives? • Can they demonstrate a commitment to transformation at every level of the organization? • Are they willing to forgo revenue in the short-term for the promise of the longer-term sustainability?
	Meaningful relationship with their provider partners	<ul style="list-style-type: none"> • Does the collaboration go beyond length of stay and cost evaluation? • How do they treat their partnerships? • What current collaborative relationships do they have?
	Demonstrate concern and accountability for the community's financial resources	<ul style="list-style-type: none"> • Do they have specific programs in place to re-direct care to the lowest cost setting? • Have they made efforts to measure the impact of their cost-saving programs at the community level?
 System & Public Accountability	Internal structure that allows performance transparency to correct unnecessary variation	<ul style="list-style-type: none"> • What internal reporting ability and transparency process do they have? • Do they have a shared EHR with access to all notes? • Have they jointly established goals for transition process and outcomes improvement?
	Openness to sharing data with provider partners	<ul style="list-style-type: none"> • Do they have a shared EHR or some level of connectivity? • Are they fully connected to a health information exchange?
	Accountable at all levels of the organization	<ul style="list-style-type: none"> • Does quality and cost improvement performance have a direct financial impact on all employees? • Can they demonstrate quality and financial accountability mechanisms at all levels of the organization?
 Team Based Care	Dedicated to continuity of care	<ul style="list-style-type: none"> • Do they have clear hand off procedures at discharge? • Do they have an active Joint transfer review committee? • Do they have data on reconnecting patients to primary specialty care? • Do they have a process for notifying a patient's primary care provider?
	Internal care coordination	<ul style="list-style-type: none"> • What structure do they have in place for inter-departmental coordination? • How many FTEs have been apportioned for coordination efforts?
	Relationships with community-based resources	<ul style="list-style-type: none"> • Do they have substantive partnerships that have led to demonstrable improvements in patient condition? • Is there a mechanism for identifying and evaluating future community partnerships?
 HIT Systems	Data exchange capability	<ul style="list-style-type: none"> • Can the EHR system safely share data with trusted external sources? • Can the EHR system safely receive data from trusted external sources? • Are they connected to a health information exchange?
	Strong internal data systems	<ul style="list-style-type: none"> • What is their EHR adoption/MU attestation rate? • Do they have a centralized data warehouse (CDW)?
	Analytics and reporting capability	<ul style="list-style-type: none"> • Do providers get actionable reports based on system-wide data collection? • Can the hospital demonstrate provider usage of the reports?
 Performance Improvement	Experience in process improvement initiatives	<ul style="list-style-type: none"> • Do they have specific performance improvement processes in place? • Can they explain how they got their results?
	Enthusiasm for quality and process improvement	<ul style="list-style-type: none"> • How long have they been engaging in substantive quality improvement efforts? • What is the mechanism for identifying quality improvement opportunities?
	Commitment to quality improvement is long term	<ul style="list-style-type: none"> • Is leader training part of the improvement process? • Do their financial incentives align with performance improvement goals?
 Financial Readiness	Willingness to take on risk	<ul style="list-style-type: none"> • How extensive is their experience in risk-based contracting? • Do they have confidence in their provider network to take on risk? • What is their willingness to experiment with different models?
	Alignment on financial goals	<ul style="list-style-type: none"> • Can they articulate specific financial goals? • Are they able to absorb short term financial losses as the payment system transitions to a more sustainable model?
	Improvement efforts are adequately funded and staffed	<ul style="list-style-type: none"> • Can they point to specific per/patient investment determinations? • Are they able to analyze their efforts in real time?