

**Health Policy Commission
Care Delivery & Payment System
Transformation Committee
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EXCEPTIONAL CARE. WITHOUT EXCEPTION.

Boston Medical Center:

A Fully Integrated Delivery System

Boston Medical Center

- 508 staffed beds
- Academic medical center
- Full range of services: primary care and 22 specialty services
- Largest safety net hospital in New England
- Busiest Level I Trauma Center in New England

BMC Physician Practice Plans

- 22 physician practices with over 800 physicians

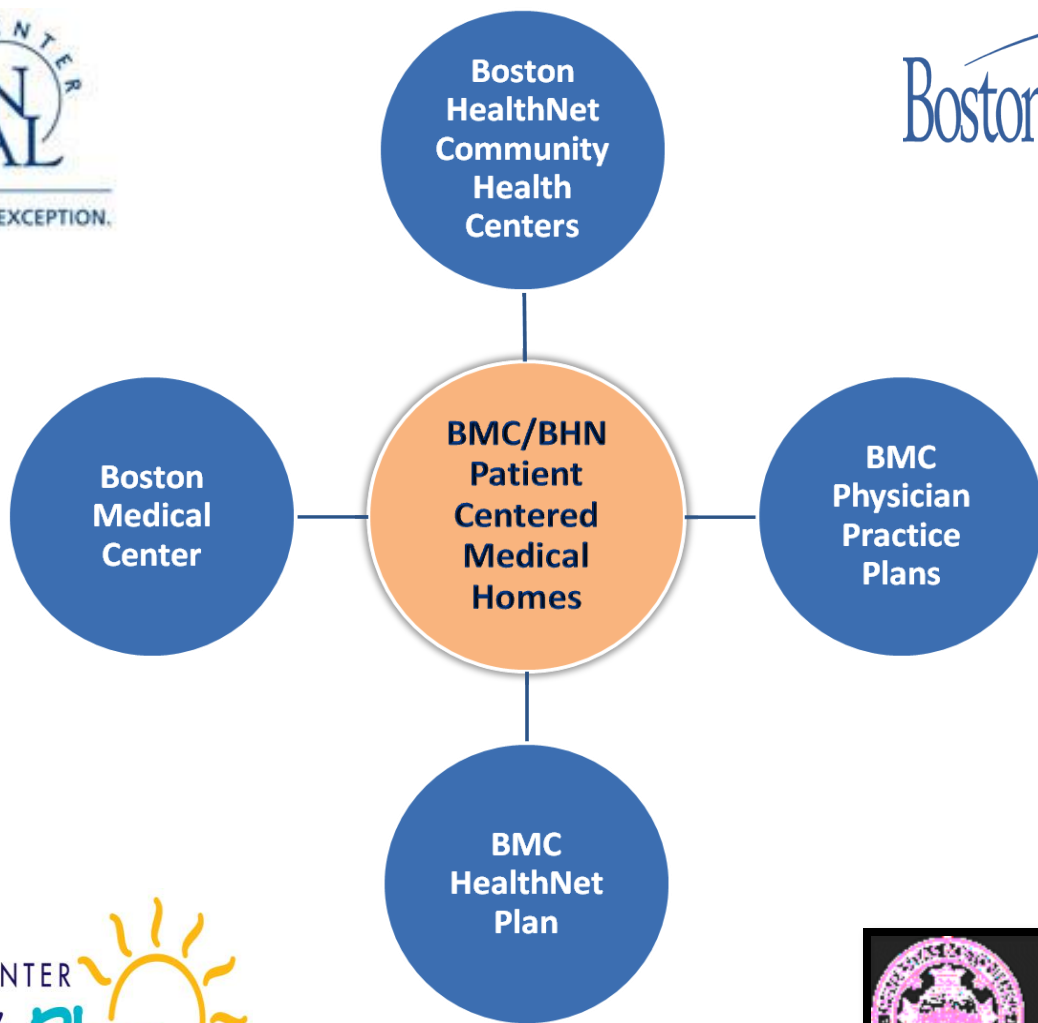
Boston HealthNet

- Health care delivery system of BMC and 15 community health centers
- Over 1,600 physicians; more than 650 primary care physicians
- Provides more than 1.2 million visits/year to 334,000 patients

BMC HealthNet Plan

- 357,000 member MCO for low-income patients
- “Excellent” accreditation from NCQA
- NCQA top-tier ranked Medicaid MCO

Transitioning BMC's fully integrated system into an ACO



ACO Transition: A Lengthy Process

2010

- BMC meets with CMS/EOHHS to propose Medicaid ACO pilot within ACA
- ACA includes Medicaid ACO language inserted by Senator Kerry for BMC but no funding authorization associated
- MA Chapter 288 focus on Medicaid ACOs as key to alternative payments

2011

- BMC prepares Medicaid ACO White Paper and meets with CMS/EOHHS
- EOHHS issues RFI on the use of ACOs by the state

2012

- BMC's current DSTI program approved by CMS & EOHHS with a ACO development project
- BMC/FPP/BHN CHCs/BMCHP develop ACO Steering Committee
- Navigant Consulting hired by Steering Committee to guide ACO process

ACO Transition: A Lengthy Process

2013

- State announces Medicaid Primary Care Payment Reform Initiative (PCPRI) primary care capitation for Medicaid. 3 BMC practices and 7 BHN CHCs agree to participate as a Pool effective 3/1/14.
- EOHHS submits new Medicaid Waiver to CMS- identifies Medicaid ACO as key strategy in payment reform effort building off of PCPRI.
- ACO Steering Committee adopts draft governance documents, submits for review by legal counsels & recommends final documents for Board vote.

2014

- BMC, FPF and CHCs seek Board approval to join BACO in Jan./Feb.
- BACO files corporate formation documents with appropriate entities
- State holds stakeholder sessions on Medicaid ACO.
- Upcoming:
 - Health Policy Commission to issue regulations guiding ACO operation
 - DOI to finalize risk-based provider regulations.
 - CMS to approve waiver including BMC's new ACO implementation project.
 - State to finalize Medicaid ACO policies?

What will the ACO do?

- An ACO creates a structure where a global, at-risk payment knits together all clinical services (behavioral and physical health), holding providers collectively responsible for care.
- The ACO:
 - Monitors quality improvement and performance.
 - Provides managed care capabilities (in-house or via contract)
 - IT for data & report management
 - Actuarial ability to manage within total cost of care global budget
 - Financial management, billing, payment capabilities to process funds flow throughout ACO
 - Case and care management
 - Network development, contracting vendor management
 - Patient and provider support (call centers, appeals, etc.)

Recommendation: Reimbursement Structure

Global Payment

- Transition from a fee-for-service payment methodology to a single, actuarially sound risk-adjusted, per member per month (PMPM) amount
- Assume risk for the cost of care for services included in the global payment rate

Incentives for Quality

- Performance-based incentive program
- Goal to achieve performance above the 75th percentile nationally

Ensuring State and Federal Savings

- Prepaid global payment limits financial exposure to federal and state government payors
- Actuarially sound methodology, adjusted annually based on an established trend rate

Recommendation: Phased-in Population Approach

- MassHealth PCC/PCPRI
- MassHealth MCO
 - BMC – start with BMCHP members/BACO patients
 - Move other MCO patients:
 - From MCO directly into ACO, or
 - MCO contract with ACO
- Medicare patients via state waiver
- Dual-eligible patients (over and under 65)
- Health Safety Net
- Commercially insured

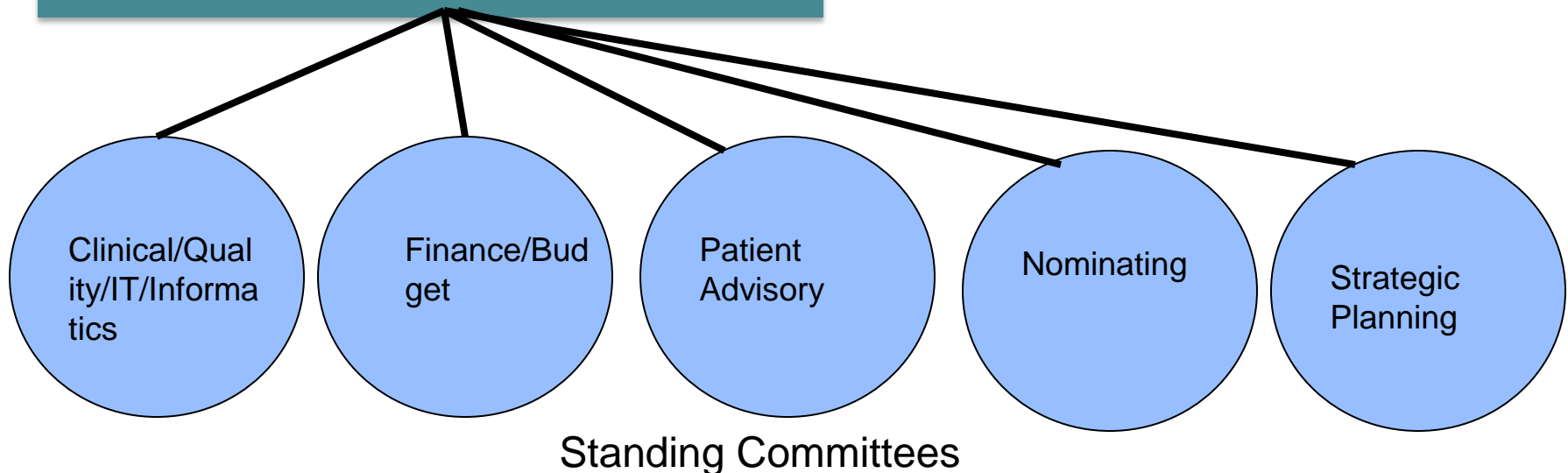
Boston Accountable Care Organization, Inc.

Boston Accountable Care Organization Board

- BMC
- BMC Faculty Practice Foundation
- 5 Community Health Centers
- 1 Consumer

The Board will appoint the committee members, ensuring a balance among constituencies.

Each participant will control appointment and removal of its Board members subject to rules set out in the bylaws.



Boston Accountable Care Organization, Inc.

Founding Participants:

- BOSTON MEDICAL CENTER CORPORATION
- FACULTY PRACTICE FOUNDATION, INC.

(The parent corporation of BMC's faculty practice plan/clinical department corporations)

- FIVE COMMUNITY HEALTH CENTERS
 - Codman Square Health Center
 - Dorchester House Multi-Service Center
 - Mattapan Community Health Center
 - South Boston Community Health Center
 - South End Community Health Center

Boston Accountable Care Organization, Inc.

Key provisions of the proposed bylaws:

- Board of Directors comprised of 19 members – 6 FPF, 6 BMC, 6 CHCs, 1 consumer
- Consistent Mission with all participants
- Ultimate vision to include all populations we serve
- All significant corporate decisions of the Board require a three-fourths vote of all Directors then in office
- Establish an Executive Director and Medical Director to be hired by the Board and five (5) standing committees, as well as those additional standing Committees as the Board of Directors may deem necessary from time to time: (1) Quality/Clinical/IT Informatics Committee, (2) Finance/Budget Committee, (3) Strategic Planning Committee, (4) Nominating Committee, and (5) Consumer Committee.
- Establish Participation Agreement requirement for participation in BACO
- Establish principles for funds distribution and Risk Rewards including: Premiums will be distributed to participating entities using an industry-standard risk-adjustment methodology that takes into account any differences in the health or homeless status of the participant's patients

Boston Accountable Care Organization, Inc.

Key provisions of the proposed participant agreement:

- Establishes the obligations and expectations of each Participating Organization
- Addresses major elements of contracting requirements
- Established 90 days notice for termination of participation without cause
- Establishes expectation of future Medicaid, Medicare and commercial risk contracts
- Establishes ACO activities including quality improvement, clinical protocols and practice guidelines, efficiency, care coordination across the continuum, infrastructure investment, care delivery processes and significant HIT development
- Gives ACO authority to negotiate all risk contracts on behalf of Participant
- Allows for Participant to request to opt out of a particular contract with three-fourths Board vote approval

For Additional Information

Contact Information

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