Team Project: Accountable Care Organization (ACO) Risk Management Strategic Plan

CASE: The ACO Integrated Delivery System

Assume you are the CEO of a large, clinical, operational, and health information management technology-intensive hospital that includes two other smaller community hospitals and a wide range of primary and specialty care physicians and other providers working in private practice in a medical service community of 500,000 population.
The Market

Currently, your hospital is paid by Medicare—the federal insurance program for the elderly and disabled—under the Medicare Severity Diagnostic Related Group (MS-DRG), part of the inpatient prospective payment system (IPPS) and under Ambulatory Payment Classifications (APC) under the outpatient perspective payment system (OPPS). These payments are fixed amounts for every admission or every outpatient service to your hospital. The IPPS and OPPS are cost-based systems that pay based on the severity of the patient’s needs for inpatient and service groupings for outpatient. Physicians and other professional providers in your community are paid under the Resource-Based-Relative-Value-Scale (RBRVS), which is a fee-for-service system. The federal government has just made an offer to your community to form an ACO that could accept an annual capitation payment per person eligible for Medicare in your service area.

<table>
<thead>
<tr>
<th>Current ACO Market Payer Mix</th>
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<tbody>
<tr>
<td><strong>Hospital Payer Mix</strong></td>
</tr>
<tr>
<td>-Medicare 55%</td>
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<tr>
<td>-Medicaid 15%</td>
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<tr>
<td>-Managed Care 25%</td>
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<tr>
<td>-All other 5% (Private, Liability, Workers’ Comp.)</td>
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Based on a preliminary assessment and analysis, the hospital Finance Department has demonstrated in a pro forma that the total revenues from the ACO Capitation offer would exceed or equal the current hospital costs under MS-DRGs and exceed or equal payments under the APC and RBRVS reimbursement programs. Based on a hospital survey, you have 95% positive support for the ACO from community physicians and ancillary care providers. Your Hospital Board has agreed to accept the Medicare offer for ACO capitation and to be the lead organization of the community ACO, but only if you create a strategic plan that brings both hospital and physicians in alignment with necessary cost and quality-of-care objectives in order to manage the health care and cost risks.
Necessary ACO Core Competencies:

The ACA is a separate business entity, a requirement. It will accept the capitation payments and pay the hospital and providers for their services under the Medicare IPPS, OPPS, and RBRVS reimbursement systems. Additionally, there will be performance bonuses (Pay-4-Performance) (P4P) to the facilities and physicians that managed their patient’s care well and met performance standards.
Term Paper Project:

Your term paper team project is to create an ACO Strategic Plan that:

1. establishes core set of ACO standards and objectives for the medical facilities and physicians to ensure that all providers are working under the same rules with the same incentives on the same page;

2. establishes a plan to communicate and educate ACO participating providers, facilities and staff in regard to these core standards and objectives in a timely manner;

3. establishes a list of “dashboard” benchmarks that may be reported throughout the ACO health system to demonstrate quality in patient care and cost-effective care; and

4. establishes a system of evaluating benchmarks for systemwide continuous improvement in order to meet objectives the ACO leadership has established.

Example Primary Sources: ACOs


**Example Primary Resources: P4P**


Team Term Project Topic Discussions & Assignments Directions

Team communications:

1. Module team discussions need to be documented in the team discussion board in order to provide individual students a grade for participation in the teamwork. Individual posts should be substantial in content and demonstrate quality contributions and communications with your team.

2. Teams may communicate through the Team email within the course shell (e.g., Team A, Team B, Team C, Team D group email...).

3. A Team Live Chat Room has been set up for each Team. You may use your team chat room link to conduct meetings with your teammates as needed for live chats. The Team Leader may set up the meeting date/times through the discussion board as agreed to by the team members. Team Leaders may send a reminder to all team members through the course email.

4. Since Saint Leo online students are all over the world, phone calls are not possible for some. Students may communicate by phone, Skype, or any other means. However, outside classroom communications by any means will not be considered part of the graded content for this class and therefore it is discouraged.

Teamwork:

All graded team discussions and team work must be done through the team discussion board as described. Each module, the Team Leader will ensure that the required team assignment is attached to the team discussion board. Label the assignment as “Final (assignment name)” on the cover page of your project document, with all team members’ names listed and the due date.

If the required assignment is not uploaded by the due date, no points will be awarded to the team for that module. If the assignment is uploaded, but not all team members have participated, then points are awarded to only those team members that contributed to the team discussion board for that module.

Project Deliverables:

The Final Strategic Plan Project completed by the team members will be uploaded in the Module 7 team discussion board as “Final Strategic Planning Project”.
Professional Presentation: The final piece of the team project is an individual student PowerPoint presentation (PPT). Each student must complete their own PPT based on their team project paper. Each student must upload their own interpretation of their team PPT into their Module 8 Dropbox for an individual grade.

**Project Schedule:**

<table>
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<tr>
<th>Module</th>
<th>Team Focus</th>
<th>Team Resources [Read]</th>
<th>Team Assignment [Deliverable]</th>
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</table>
| 1      | Team Organization and Roles             | *Effective Team Development—What Makes an Effective Team?* | Team Assignment 1: Team organization chart and team project topic  
|        |                                         |                                           | • Team Charter |
| 2      | Team Consensus and Planning Process     | *Strategic Planning Process*              | Team Assignment 2: First rough draft of strategic plan outline  
|        |                                         |                                           | • Strategic plan outline of the team topic |
| 3      | Team Tasks, Roles, and Timelines        | *Strategic Plan Organization, Tasks, Roles, and Timelines* | Team Assignment 3: Second rough draft with plan components, including tasks, roles, and timelines in a Gantt chart  
|        |                                         |                                           | • Excel Spreadsheet Gantt Chart |
| 4      | Team Project Pro Forma                  | *Strategic Plan Pro Forma and Feasibility* | Team Assignment 4: First rough draft of project pro forma interpretation  
<p>|        |                                         |                                           | • Excel spreadsheet and presentation of pro formas: Accountable care organization (ACO) risk |</p>
<table>
<thead>
<tr>
<th>Week</th>
<th>Assignment</th>
<th>Description</th>
<th>Reference</th>
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<tbody>
<tr>
<td>5</td>
<td>Team Project Performance</td>
<td>Optimizing Team Performance</td>
<td>Team Assignment 5: First full draft of strategic plan with project pro forma</td>
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<td>6</td>
<td>Team Project Outcome Evaluation</td>
<td>Team Project evaluations</td>
<td>Team Assignment 6: Team and team project evaluation form</td>
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<td>7</td>
<td>Team Project Due</td>
<td>Strategic Planning Best Practice</td>
<td>Team Assignment 7: Final team strategic plan project and pro forma paper</td>
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<td>8</td>
<td>Team Member Presentations</td>
<td>Professional Presentations</td>
<td>Team Assignment 8: Individual student PowerPoint presentations of the team’s Strategic Plan</td>
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