

# Coordinated Care Update – A Washington Perspective

3<sup>rd</sup> Annual Coordinated Care and Coverage  
Conference

Fallon Community Health Plan

November 6, 2013

Doug Hastings

Chair, Epstein Becker Green

# From Shared Savings to Population Health

- There are now more than 250 Medicare ACOs, covering over 4 million beneficiaries in 47 states; 50% are physician-led; new regulations expected in 2014
- Nearly an equal number of ACOs are operating in commercial markets, covering up to 14% of Americans; insurers expect to introduce hundreds more in next few years
- Medicaid ACOs are operating in 14 states
- More than 450 health care organizations are participating in the CMMI bundled payment initiative
- Policy influencers believe that the first phase of accountable care already is over, that the pace of change will accelerate, and that shared savings is not a sustainable model – providers need to be at risk to manage the health of populations

# The Institute of Medicine Geographic Variation Study Released July 2013

- Geographic variation in health care spending and utilization is real, even after adjusting for acceptable factors
- Post-acute costs are the principal source of variation in Medicare spending, and provider pricing is the principal source of variation in commercial spending
- Area-level quality is not consistently related to spending or utilization
- To improve value, CMS should target provider decision-making units and incentivize clinical and financial integration of providers
- If payment reforms currently being tested demonstrate value, Congress should give CMS the flexibility to accelerate the transition to new payment models, including “assumption of some or all of the risk of managing the care continuum for their populations”

# Coordination vs. Competition Remains a Hot-Button Issue

- Both mergers/acquisitions and non-change of control transactions continue to proliferate
- The goals of financial and clinical integration are aligned
- The antitrust analysis of mergers and non-merger network arrangements is becoming more similar in the value-based context
- Some states are pursuing statewide coordination models and antitrust exemptions
- The FTC and DOJ are wrestling with balancing coordination and competition
- Evidence-based quality measures, risk-based payment models, and pricing transparency should help address the balance