WASHINGTON HEALTH ALLIANCE
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PURCHASER GUIDELINES TO EVALUATE CONTRACTS FOR ACCOUNTABLE CARE ORGANIZATIONS

PURPOSE

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The use of these specifications in purchasing decisions will demonstrate purchasers' intentions to support the rapid development of accountable care arrangements with provider organizations, explicitly rewarding doctors and hospitals for quality, outcomes of care and competitive pricing instead of rewarding them for quantity and complexity of services provided.

These guidelines are intended to be at a high level and have been developed and approved by the Purchaser Affinity Group of the Washington Health Alliance. Individual purchasers may choose to add specificity to meet the unique needs of their covered population.

These guidelines are presented in two categories including expectations for provider accountable care organizations and expectations for health plans.

PURCHASER EXPECTATIONS FOR PROVIDER ACCOUNTABLE CARE ORGANIZATIONS

Accountable care organizations will show clear evidence of the following:

1. Strong leadership structure and culture that supports the goals of accountable care (better outcomes at a lower total cost), including the financial competency and maturity to align payment with gain and risk sharing tied to outcomes.
2. Well-resourced primary care network organized around patient-centered medical home principles and standard work flow, and exhibiting timely access to care, including evening and weekend appointments and the ability to contact the health care team via phone and secure email.
3. Demonstrated ability to provide for and incentivize appropriate referrals for specialty and inpatient care to achieve the highest quality at a competitive price, including electronic and/or virtual consultation.
4. Demonstration of programs, systems and tools in place to:
    a) Provide proactive patient education to preserve and improve health.
    b) Maximize evidence-based prevention and screening to avoid chronic disease and major acute conditions.
    c) Provide sophisticated care management that proactively manages disease in the outpatient setting, particularly for patients with chronic and/or complex conditions, including strong

integration of physical and behavioral health[11] interventions and education on disease self-management.

d) Eliminate unnecessary, non-value added or duplicative tests and procedures (e.g., Choosing Wisely ®), and minimize avoidable complications, hospitalizations and use of expensive emergency-oriented care.

5. Demonstrated use of shared decision-making with the patient, and an organizational focus on improving or stabilizing functional status and quality of life, timely return to work and effective use of palliative care for debilitating chronic conditions and/or end-of-life care.

6. Proficient use of electronic health records (including both data input and data extraction) for:

   a) Individual patient management including a shared care plan for patients with complex conditions.

   b) Population health management.

   c) Coordination of care across care settings and across time.

7. Ability to produce and use timely data at the group/provider/patient level (quality, patient experience, utilization and cost) to continually evaluate and improve care and manage total cost of care.

8. Capacity to effectively contract for and manage patient care "outside the ACO walls" to achieve the highest quality at a competitive price.

9. Executive endorsement of community-wide transparency on quality, utilization and price, including (but not limited to) support for health plans routinely sharing medical claims information with the Washington Health Alliance.

10. Strong commitment to participation in statewide and community initiatives, such as:

    a) Sharing patient information with other physical and behavioral health care provider organizations (both within and outside the "ACO walls"), in a manner consistent with federal laws regarding patient privacy, to effectively manage patient care across care settings.

    b) Quality improvement efforts such as the Foundation for Healthcare Quality's Clinical Outcomes Assessment Programs (OB, Spine, Cardiac) and the Robert Bree Collaborative.

    c) Accountable collaboratives for health (also known as regional health improvement collaboratives).

PURCHASER EXPECTATIONS FOR HEALTH PLANS IN PROMOTING ACCOUNTABLE CARE

1. Health plan will provide benefit design recommendations that support ACO success.

2. Health plan's accountable care products include "hard enrollment," where the member is required to prospectively select the ACO and affiliate with a primary care team and/or clinic within the ACO.

3. Health plan dedicates resources and support for promotion of the ACO plan, including educating members regarding benefits, how it works, etc.

4. **Health plan contracts with provider accountable care organizations:**

[1] Includes mental health and chemical dependency .

a) **Emphasize/promote all delivery system characteristics described in provider section.**

b) Align provider payment with gain and risk sharing tied to measurable outcomes in five areas of requirement:

i) Evidence-based Medicine

ii) Right Time, Right Setting

iii) Member Experience

iv) Optimize Function

v) Decrease in Total Cost

c) Provides for payment method that is sufficiently flexible to enable provider organization to provide non-visit based care, non-physician care where appropriate, specialty consultation without requiring an office visit, home and community-based services and supports, and coordination of care including proactive outreach to patients.

5. Health plan has the demonstrated capacity to effectively contract for patient care "outside the ACO walls" with the goal of promoting well-coordinated care that produces quality outcomes at an affordable price—this includes the health plan routinely sharing data with the ACO and integrating data across ACO and non-ACO care delivery sites on a timely basis to facilitate effective patient care

6. Health plan will provide and/or coordinate routine, standardized reporting of ACO performance to purchasers in (at least) the five areas of requirement, incorporating ACO/delivery system data where appropriate.

7. Health plan enables[2] a robust consumer website for members that includes (but is not limited to) a cost calculator with the following types of functionality:

a) Cost information that considers members' benefit designs relative to:

i) copays and cost sharing

ii) coverage exceptions and service limits

iii) pharmacy benefits (tiering, brand/generic, retail/mail, etc.)

iv) accumulated deductibles and out-of-pocket maximums

b) Medical costs searchable by procedures, drugs, and episodes of care, that include both the professional and facility fees.

c) Cost comparisons for alternative treatments linked to shared decision-making tools for preference-sensitive treatments.

d) Cost comparisons for physicians, hospitals, ambulatory surgery centers and diagnostic centers linked to quality data as much as possible.

8. Health plan permits access to and use of enrollment and priced claims data at the purchaser's discretion; health plan has strong executive endorsement of community-wide transparency on

[2] Consumer website may be offered through the health plan and/or separately through the ACO or an outside vendor selected by the purchaser.

quality, utilization and price, including willingness to routinely provide priced medical claims information to the Washington Health Alliance for aggregated community-wide/statewide measurement and reporting on quality, utilization and price variation.

9. Facilitate/support direct conversations between purchasers and provider organizations.

WHAT PURCHASERS ARE WILLING TO DO TO SUPPORT DEVELOPMENT OF ACCOUNTABLE CARE PAYMENT ARRANGEMENTS WITH PROVIDER ORGANIZATIONS

1. Select health plans that display support for a strong purchaser role in defining and evaluating accountable care arrangements through execution of the health plan criteria noted above.
2. Willing to offer and promote ACO plan (alongside other plan options), including devoting time to educating employees and family members regarding benefits, how it works, etc., and handling employee push-back on plan requirements.
3. For the ACO plan option:
    a) Require enrollee to participate in "hard enrollment ", i.e., prospectively select ACO and affiliate with a primary care team and/or clinic within the ACO.
    b) Offer favorable out-of-pocket requirements for selecting ACO option as permitted (e.g., premium sharing, cost sharing, co-pays).
    c) Minimal coverage when enrollee seeks care outside of the ACO except for:
        i) clinically necessary service(s) not available within the ACO and referred/approved by the ACO
        ii) out-of-area emergencies
4. The ACO option must stand on its own financial performance when being evaluated against other plan options.
5. Willing to share information, lessons learned, etc., with one another about their experience with health plans and provider accountable care organizations implementing these purchasing expectations.