



WHITE PAPER

Why Accountable Care Organizations Offer Opportunities for Community Health Centers

Introduction

Community health centers (CHCs) play an essential role in providing care to millions of patients in traditionally underserved areas.

Because these federally funded organizations provide comprehensive primary care services to some of the nation's most vulnerable populations without regard for ability to pay, CHCs face financial and clinical challenges that are unique among healthcare providers.

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Sara Coates
FQHC Strategy and Success Manager at Aledade.

Community health centers, also known as Federally Qualified Health Centers (FQHCs), depend primarily on a combination of funding from the HRSA Health Center Program, Medicare and Medicaid reimbursements, and a variety of grant opportunities that they must seek out themselves.

Health centers often feel as if their financial environment is a precarious one, but this prospective payment structure offers important lessons in creativity and resourcefulness for the rest of the healthcare industry as it adopts value-based care.

"Value-based care has been happening in community health centers since day one," says Sara Coates, FQHC Strategy and Success Manager at Aledade. "It's baked into the model so completely, from the way they focus on preventive care and social determinants of health to the manner in which they are paid."

"But a lot of CHCs don't really think of it that way," she added. "They don't necessarily see that experience as a huge advantage now that the entire healthcare system is focused on moving from volume to value. And they don't always know what opportunities they're leaving on the table because of it."

Accountable care organizations (ACOs) are designed to reward healthcare providers for exactly the type of comprehensive, proactive care that CHCs already excel at delivering. For health centers, participating in an ACO could provide an additional pathway to benefits for meeting these clinical and financial goals.

Aligning incentives within the community health center environment

According to a report recently published by the Commonwealth Fund¹, three-quarters of CHCs are aware that they could be eligible for financial incentives for meeting clinical quality targets.

Aledade enables primary care providers and health centers to form successful ACOs by offering a proprietary combination of technologies and practice transformation services in 25 states across the nation.

Yet only 39 percent of health centers are members of an ACO, indicating a significant disconnect between the potential to enhance quality-based revenue and participation in one of the most successful models for doing so.

Accountable care organizations are groups of doctors, hospitals, health centers, or other healthcare providers who come together under an agreement with a payer to meet quality and spending goals.

If an ACO meets its targets, it is eligible to receive a portion of shared savings, or the difference between the expected spending and the lower actual amount spent on patient care. In some arrangements, ACOs that exceed their spending targets are responsible for paying back some of the losses, as well.

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While the Medicare Shared Savings Program (MSSP) is the largest single initiative guiding the development of accountable care, many state Medicaid programs and commercial payers also offer ACO options.

ACOs aren't just for hospitals and private practice physicians, asserted Coates. "CHCs can absolutely have success in this space," she said. "Even if your Medicare panel is relatively small, the MSSP can be a great opportunity to start working with your data and refining your population health management workflows."

Becoming a member of an ACO may have the added benefit of strengthening existing revenue streams, explained Coates. Many of the quality measures in the MSSP align well with the deliverables for grant funding, so CHCs may already have the strategies in place to hit the MSSP's targets.

"You are probably already focused on the same issues. You already know how to do it," Coates said. "You can

meet the immediate needs of performing well for your expected grant deliverables while taking advantage of what Medicare is doing financially to promote value-based care."

For example, Medicare offers a higher reimbursement for conducting Annual Wellness Visits (AWVs) compared to a regular office visit. These yearly conversations with seniors can help identify changes in health status or socioeconomic need and close gaps in care.

In addition to receiving enhanced reimbursement for conducting the visit itself, using AWVs as a benchmark for accurate risk coding and care planning can ensure that providers are receiving financial credit for all of the work they are doing with their complex patients.

\$1.36M

Increased revenue generated by providing Medicare Annual Wellness Visits to high priority patients



An Aledade partner health center in New York that serves more than 185,000 patients per year is now providing Medicare Annual Wellness Visits (AWVs) to 71 percent of their high priority patients. This equates to \$1.36 million in increased revenue.

"Accurately defining the needs of your patient population is very important for allocating resources and coordinating care," said Coates.

Leveraging data to succeed with community health goals

In order to succeed with these objectives, CHCs need to harness another untapped resource: their digital patient data.

The Commonwealth Fund report notes that 99 percent of CHCs now have electronic health records in place. But just like many other organizations, they sometimes find it difficult to use their health IT tools to their greatest effect.

"There has been this rapid adoption curve for technology, and now CHCs are being inundated with data," observed Coates. "It isn't easy to start making sense of looking at trends within their populations and identifying opportunities to improve."

¹ <https://www.commonwealthfund.org/publications/issue-briefs/2019/aug/changes-at-community-health-centers-how-patients-are-benefiting>

Only 68 percent of CHCs consider it “easy” to generate lists of patients who are due for preventive services or tests, the survey showed. And a mere 54 percent can routinely send reminders to patients when it is time for regular preventive care or follow-up appointments.

This may translate into missed opportunities to get ahead of chronic conditions and prevent avoidable utilization of high-cost services.

“Unfortunately, lots of health centers are getting swamped with offers for population health tools that don’t really meet the need for complete visibility into patient populations,” she said.

“CHCs need much more comprehensive support that makes it clear how to prioritize patients and how to take specific actions that can lead to better outcomes. They need health IT tools that can simplify the process of leveraging that data so it can have a direct, positive impact on daily decision-making.”

Health centers that join an Aledade ACO get access to robust population health technology that provides patient prioritization worklists, information on hospital and ED utilization, and appropriate risk coding suggestions, Coates added.

But Aledade’s ACO partners also get something more. They receive the ongoing advice and support of experienced practice transformation specialists that can help CHCs maximize their resources, make the most of reimbursement opportunities, and implement payer-agnostic workflows that produce a truly positive impact on individuals and their families.

Leading the nation toward high-value, community-based care

Federal and commercial payers are getting serious about accelerating the move to value-based care across the entire healthcare system in an effort to control rising costs and bolster population health.

For community health centers, it is a chance to take advantage of their long-term experience with providing comprehensive, coordinated, preventive care to some of the most challenging and vulnerable groups in the country.

“Health centers already have so many of those value-based care skills in place, so it’s not a heavy lift to make ACO participation work very well for your organization and your patients,” said Coates.

By participating in an ACO, community health centers can strengthen their financial sustainability while continuing to set the standard for high-quality care.

“It’s high time that health centers get more credit for being outstanding assets to their communities,” Coates said. “ACOs can help you do that. Aledade’s role is to show you how.”



\$3.9M

FamilyHealth ACO
2017 Medicare savings

22%

Reduction in days patients
spent in skilled nursing
facilities in 2017

8%

Reduction in psychiatric
hospitalization costs
in 2017

83%

Quality score earned
in 2017

In 2017, the FamilyHealth ACO in New York—comprising three large FQHCs—saved Medicare over \$3.9 million. The ACO reduced days spent in skilled nursing facilities by 22 percent, psychiatric hospitalization costs by 8 percent, and earned a quality score of 83 percent.

“Having a partner to help you make sense of all this data and navigate the reimbursement landscape is a huge advantage,” said Coates. “When you work with someone who has great technology tools but is more than just a technology company, it creates all of these openings to continue succeeding with your mission.”

“If you can get that visibility into your uncontrolled diabetics or your hypertension patients and get them in the door—and if you have the workflows in place so that you know exactly how to meet each of their needs—you can make a huge difference in their lives. That combination is critical, and that’s what Aledade brings to its health center partners.”