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DIVURGENT



Featured White Paper

Evolution of Care Delivery- Accountable Care Organizations and Preparing for Implementation

The ACO Model has the potential to improve quality, efficiency, and cost of care for services covered by parts of Medicare and Medicaid. piperreport.com

Physician practices, hospitals, and payor organizations have worked together to advance a new healthcare service model to improve quality, efficiency and cost of care. This article describes some of the currently known requirements for establishing this new model called the accountable care organization (ACO) under the forthcoming

Center for Medicare and Medicaid Services (CMS) ACO program. Potential benefits from implementation, along with challenges, are discussed that include: management of the ACO, technology infrastructure (electronic health records (EHR) and health information exchange (HIE)), equitable distribution of savings, maintaining patient volumes, and financing of care.

Introduction

In 2001 the Institute of Medicine (IOM) noted six redesign challenges for reforming the United States (US) healthcare system. Today, physicians, hospitals and payor organizations are confronting these challenges along with lessons learned from managed care programs as part of the impetus for change through the 2010 Patient Protection and Affordable Care Act (PPACA).

In the following sections we address the emergence of the ACO model, keys to its implementation, potential benefits to be derived, and challenges to be overcome as demonstration projects accelerate and ACOs are becoming a new element of healthcare service delivery across the United States.

ACO Emergence

The emergence of ACOs as a new care delivery model has happened over the last 10 years. This is a model that has the potential to improve quality, efficiency and cost of care for services covered by Medicare Parts A and B, Medicaid and private payors for a defined population with shared financial rewards going to ACO participants (i.e. physician practice organizations, hospitals, academic medical centers, etc.) for achieving quality of care goals. Public sector demonstration models have been tested but challenges still lie ahead. The Center for Medicare and Medicaid Service (CMS) initiated the Medicare Physician Group Practice (PGP) Demonstration Program in 2000. This was a 5-year program involving 10 different physician groups/health systems across the country that documented improvement in quality outcomes for a defined Medicare beneficiary population with chronic illnesses or co-morbidities. This group included the Dartmouth-Hitchcock Clinic, Geisinger Health System, Marshfield Clinic, and the University of Michigan Faculty Group Practice. As a result of the improved outcomes, the physician groups received over \$16M in incentive payments for improving quality of care based on 32 quality measures. <<Read More: ACOs>>

Interested in other DIVURGENT white papers? Here are a few of the most recent:

<u>Improve Patient Safety</u> <u>CPOE Project Management</u> <u>Crew Resource Management</u>

Project Spotlight

Benefits Realization

A client engaged DIVURGENT to conduct a benefits realization assessment for their upcoming EHR implementation. During our assessment, DIVURGENT worked closely with the client to create a Return on Investment Calculator to look across the Continuum of Care for benefits that could be received from a successful EHR implementation. Included in our deliverable were the following:



- The benefits realization calculator
- Benefits realization case study research which included:
 - HIMSS Success Stories
 - Peer Reviewed Research
- Lessons learned on barriers to benefits realization
- Best practices to track and assure benefits realization

At the conclusion of this engagement, the DIVURGENT benefits realization team presented the findings to the client's board of directors. The benefits to be realized of \$30 -45m included detailed information on cost reduction, cost avoidance and revenue enhancement opportunities.



Patients are not

passive recipients of care. They are active customers. And

successful healthcare

providers understand

that the customer is

king.

News & Events

Consumer-Centric Healthcare: Opportunities and Challenges for Providers - Colin Konschak and Lindsey Jarrell's book has been published. http://www.ache.org/pubs/redesign/productcatalog.cfm? pc=WWW1-2169

CHIME College Live - Jeffery Daigrepont from DIVURGENT and Elise Spoto from Sentara Healthcare will be hosting a Webex Wednesday, January 5, 2011 at noon EST.

HIMSS 2011 - Mary Sirois & Colin Konschak presenting on "Using Data to Transform Care and Build Competitive Advantages" Thursday, February 24, 2011. Orlando, FL.

ACHE 2011 Congress on Healthcare Leadership - March 21 - 24, 2011. Chicago, IL.

Need a Speaker? DIVURGENT Subject Matter Experts are available to present on various topics including:

- ICD-10
- Accountable Care Organizations
- Meaningful Use
- Healthcare Reform
- Go-Live and Activation Best Practices
- Project Management
- Crew Resource Management
- Patient Safety
- Clinical Transformation
- Physician Adoption



Managing Partner Colin Konschak presenting on the HITech Act.

Contact <u>emily.kneipp@divurgent.com</u> for more information.

Here We Grow Again

Dan Stober joins DIVURGENT as our Client Services Vice-President working with hospitals in the Midwest. Dan has over 25 years of experience working with hospitals, integrated delivery networks, and Group Purchasing Organizations. Dan's career has been focused on computerization, automation, and project management in the healthcare environment.

David Shiple has worked with DIVURGENT over the last 2 years on projects such as Meaningful Best practices, inpatient system strategy, and is currently engaged as an interim CIO at a client site in Florida. He recently joined us as a permanent employee. Dave has been doing Healthcare and IT work for 25 years, and has worked for companies such as Accenture, Navigant, Gartner, and IBM.

Joanne Wells has been working in the field of Healthcare IT/Consulting for the past 12 years. Joanne started her Healthcare Informatics career in 1998 working for Cerner, specializing in SurgiNet; moved into the hospital arena leading a FirstNet team in 2002 and returned to consulting in 2004 where she has become proficient in supporting almost all Cerner applications and leading process design teams. She has an MBA and is an RN.



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