

ACOs

*Past, Present
and Future*

**Making Sense of
Healthcare Reform**



Kindred
Healthcare 

ACOs

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Ever since the Affordable Care Act, commonly known as healthcare reform, established the creation of Accountable Care Organizations (ACOs) there have been questions as to what precisely it means for healthcare providers. The purpose of this brief is to decipher exactly what ACOs are, their history, and what the future looks like.

What Is an ACO?

The Centers for Medicare and Medicaid Services (CMS) broadly defines ACOs as “groups of doctors, hospitals, and other health care providers, who come together voluntarily to give coordinated high quality care to their Medicare patients.” The ultimate goal of this care coordination is to streamline services and ensure that patients get the right care at the right time with better clinical outcomes. A secondary goal is to create savings to the Medicare program by eliminating duplicate services, medical errors and preventable rehospitalizations.

ACO Performance to Date

The first year featured 23 Pioneer ACOs and 114 Shared Savings ACOs. In late 2013, the Centers for Medicare and Medicaid Services (CMS) released data detailing the first year of performance for all ACOs. Overall data indicates that the ACO model saved the Medicare program \$380 million in the first year. However, the data released by CMS does not identify which ACOs were able to produce savings and which ones were not able to reduce costs for patient care.

Cost Savings Slim, But Quality Indicators Are High

While the savings sound significant, analysts were quick to point out that this translates to an average savings of only \$80 per each of the 1.6 million beneficiaries covered by these ACOs, or

There are two primary types of ACOs, which fall into the following categories:

1. Medicare Shared Savings Program –

This program helps Medicare fee-for-service providers in becoming an ACO. When the ACO simultaneously delivers high-quality care and reduces Medicare spending, the participants share in the funds saved to the program.

2. Pioneer ACO Model – This model has the same structure as the Medicare Shared Savings Program but was designed for early adopters with an existing track record of providing coordinated care across settings, such as Geisinger Health System. The Pioneer model is closed to new participants – and was capped at the original 23 participants. The shared savings payment within this model is consistent with the Medicare Shared Services Program.

a little less than 1 percent of spending. CMS was quick to point out that, “On 15 out of 15 quality measures, [the ACOs] did better than national benchmarks, as well as on four out of four patient satisfaction benchmarks.” Additionally, some analysts further defended the program by pointing out that the savings are a good start and the program is relatively new.

To date, the program has steadily grown by about 100 ACOs each year, with a total of 360 ACOs participating today covering the lives of 5.3 million Medicare beneficiaries.

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The Future of ACOs

The initial data just released by CMS represents less than half of current ACOs, so the future of ACO performance, popularity, and the formation of new ACOs will likely rely on consistent positive results. With the first year of data showing a “good start,” experts believe that some groups still considering whether to form an ACO may wait for another full year of data before forming and establishing value-based contracts.

While this may mean that the pace of the formation of new ACOs may be a little slower in 2014, this should not be misinterpreted as a failure of the program.

Future Legislation May Require Risk-Based Payments

Congressional leaders and policy leaders in the Administration continue to support endeavors that break down the silos between care settings, improve care outcomes and incentivize collaboration through sharing in the savings to the Medicare program – the precise goal of ACOs. Therefore, it is anticipated that future legislation and regulations will require risk-based payments for physicians and providers. Discussing moving from prospective payment systems to ones that are more risk based signals Congress’ support for value-based care and payments and may encourage more participation in ACOs.

Is Bigger Better?

Looking back at growth patterns in the development of ACOs may provide insight into future growth. The earlier adopters – both Pioneer and Shared Savings ACOs – tended to be larger hospitals and health care systems because of their size and number of patients under their care. This seems to have had mixed results. More recent ACO development has tended to be primarily smaller physician’s groups, which don’t cover as many patient lives; however, keeping the care management at a smaller, more local level may produce better quality outcomes. Most experts believe that in the short term, most development will be focused on physician practice-based ACOs.

ACOs Are Sticking Around

It is evident that there is much more data that needs to be tracked, over a prolonged period, to truly understand the impact that ACOs are having in terms of quality, value and cost savings. CMS remains confident that ACOs and the partnerships between multiple care providers will improve the patient experience, and ultimately save critical funds for the Medicare program. Therefore, it can be concluded that CMS will continue to encourage participation, provide support for and grow the ACO program.

Kindred’s full continuum of integrated care locations provides significant opportunity for people to access the right care to support recovery and wellness.

As our nation’s healthcare system moves to one that rewards value over volume for patient care, improved patient-centered care coordination will be essential to achieve improved patient outcomes, smooth care transitions, and lower costs.

Kindred’s Integrated Care Market strategy recognizes the need to link Kindred locations with healthcare networks, managed care providers and other healthcare entities in local markets to best meet patient needs, return them home quickly and provide effective care management.

In pursuing new capabilities in patient care coordination, Kindred is now a strategic partner and owner of the Silver State MSSP ACO, which covers the lives of 15,000 Medicare fee-for-service beneficiaries in Southern Nevada.

Across the continuum, Kindred is outperforming national quality benchmarks, **reducing lengths of stay as well as reducing rehospitalization rates** down to less than 8.4% in our Transitional Care Hospitals and by 5.1% in our Nursing and Rehabilitation Centers since 2010. From 2013 to 2014 Kindred Home Health improved hospitalization rates by 8.9%.

KINDRED'S NEW ENGLAND INTEGRATED CARE MARKET SERVICES

MASSACHUSETTS

TRANSITIONAL CARE HOSPITALS

Kindred Hospital

Boston, Boston, MA
617.254.1100 • 617.783.1813 fax

Boston North Shore, Peabody, MA
978.531.2900 • 978.531.8161 fax

Northeast – Natick, Natick, MA
508.650.7630 • 508.650.7636 fax

Northeast – Stoughton, Stoughton, MA
781.297.8200 • 781.297.8262 fax

NURSING AND REHABILITATION CENTERS

Kindred Transitional Care and Rehabilitation

Avery, Needham, MA
781.234.6300 • 781.234.6832 fax

Country Estates, Agawam, MA
413.789.2200 • 413.789.2269 fax

Eagle Pond, South Dennis, MA
508.385.6034 • 508.385.7064 fax

Forestview, Wareham, MA
508.295.6264 • 508.295.3484 fax

Harrington, Walpole, MA
508.660.3080 • 508.660.1634 fax

Highgate, Dedham, MA
781.461.9663 • 781.461.9680 fax

Highlander, Fall River, MA
508.730.1070 • 508.730.2033 fax

Westborough, Westborough, MA
508.366.9131 • 508.836.3869 fax

Kindred Nursing and Rehabilitation

Braintree, Braintree, MA
781.848.3100 • 781.794.5322 fax

Great Barrington, Great Barrington, MA
413.528.3320 • 413.528.2302 fax

Hallmark, New Bedford, MA
508.997.7448 • 508.992.3006 fax

Harborlights, South Boston, MA
617.268.8968 • 617.268.4616 fax

Laurel Lake, Lee, MA
413.243.2010 • 413.243.4288 fax

Tower Hill, Canton, MA
781.961.5600 • 781.961.5688 fax

Clark House Nursing Center at Fox Hill Village, Westwood, MA
781.326.5652 • 781.326.4034 fax

Ledgewood Rehabilitation and Skilled Nursing Center

Beverly, MA
978.921.1392 • 978.927.8627 fax

Seacoast Nursing and Rehabilitation Center
Gloucester, MA
978.283.0300 • 978.281.6774 fax

HOME HEALTH, HOSPICE, PALLIATIVE CARE AND HOME CARE ASSISTANCE

Kindred at Home

Boston, Auburndale, MA
HOSPICE:
617.332.0813 • 617.332.0815 fax

Marlborough, Marlborough, MA
HOME HEALTH:
508.481.4930 • 508.481.5148 fax

Stoughton, Stoughton, MA
HOME CARE ASSISTANCE:
781.297.8686 • 888.572.3652 fax

Weymouth, Weymouth, MA
HOME HEALTH:
781.331.4930 • 781.331.4939 fax

BridgePoint Palliative Care

An Affiliate of Kindred at Home

Auburndale, MA
PALLIATIVE CARE:
617.332.0813 • 617.332.0815 fax

Gentiva

An Affiliate of Kindred at Home

Boston, Marlborough, MA
HOSPICE:
508.229.0912 • 508.229.2376 fax

Fall River, Fall River, MA
HOME HEALTH:
508.672.0675 • 508.672.9174 fax

Fall River, Fall River, MA
HOSPICE:
508.672.0580 • 508.672.0581 fax

Pittsfield, Pittsfield, MA
HOME HEALTH:
413.443.3525 • 413.443.3579 fax

Sandwich, Sandwich, MA
HOME HEALTH:
508.888.2932 • 508.888.3051 fax

Springfield, Springfield, MA
HOME HEALTH:
413.733.1132 • 413.733.0863 fax

ASSISTED LIVING

Kindred Assisted Living

Avery Crossings, Needham, MA
781.444.6655 • 781.433.2794 fax

Laurel Lake, Lee, MA
413.243.4747 • 413.243.4604 fax

CONNECTICUT

NURSING AND REHABILITATION CENTERS

Kindred Transitional Care and Rehabilitation – Windsor
Windsor, CT
860.688.7211 • 860.688.6715 fax

HOME HEALTH

Gentiva
An Affiliate of Kindred at Home

Farmington, Farmington, CT
HOME HEALTH:
860.674.1302 • 860.674.9526 fax

Hamden, Hamden, CT
HOME HEALTH:
203.287.3174 • 203.287.0256 fax

Old Saybrook, Old Saybrook, CT
HOME HEALTH:
860.510.0210 • 860.510.0508 fax

Trumbull, Stratford, CT
HOME HEALTH:
203.377.5117 • 203.377.5187 fax

NEW HAMPSHIRE

NURSING AND REHABILITATION CENTERS

Kindred Transitional Care and Rehabilitation – Greenbriar
Nashua, NH
603.888.1573 • 603.888.5089 fax

RHODE ISLAND

HOSPICE

Gentiva, Warwick, RI
An Affiliate of Kindred at Home
HOSPICE:
401.738.1492 • 401.738.4029 fax

*For Hospital admissions, please call **1.855.2.DISCHARGE**.*
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For more information, visit
www.kindrednewengland.com.

MAINE

HOME HEALTH

Gentiva
An Affiliate of Kindred at Home

Bangor, Bangor, ME
HOME HEALTH:
207.990.9000 • 207.941.8645 fax

Portland, Portland, ME
HOME HEALTH:
207.772.0954 • 207.775.4705 fax

Sanford, Sanford, ME
HOME HEALTH:
207.324.8790 • 207.324.8904 fax

ASSISTED LIVING

Kindred Assisted Living

Monarch Center, Saco, ME
207.284.0900 • 207.284.0909 fax

Village Crossings, Cape Elizabeth, ME
207.799.7332 • 207.799.7334 fax

VERMONT

NURSING AND REHABILITATION CENTERS

Kindred Transitional Care and Rehabilitation – Birchwood Terrace, Burlington, VT
802.863.6384 • 802.865.4516 fax

Starr Farm Nursing Center
Burlington, VT
802.658.6717 • 802.658.6432 fax

CT TDD/TTY# 800.833.8134
MA TDD/TTY# 800.439.2370
ME TDD/TTY# 800.457.1220
NH TDD/TTY# 800.735.2964
RI TDD/TTY# 800.745.6575
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