



### **The Pure Play** John Ford, CEO Prime Care Managers

**CMS published the 2014 ACO financial performance results this week. Measuring reduction in total expenditures for the calendar year, 88 of the 335 reported ACOs achieved an overall decrease in expenditures compared to expected benchmark expenditures.**

Savings-over-expected ranged as high as 16 percent, with 13 ACOs saving at least 10 percent from expected. The highest dollar savings was \$53 million, equal to \$555 per beneficiary. Topping the list in overall savings per beneficiary was a small primary care-led Texas ACO, at \$957 per beneficiary.

As in previous years, a negative cost trend will continue to give ample reason for CMS to support the ACO initiative, which began in 2010. Many of the pilot ACOs continue to participate, and CMS is relaxing rules to promote participation with its promising campaign.

Several ACOs have come and gone, and the bulk of ACOs are arguably struggling. But, looking a little deeper into the results, a trend is emerging. As information spreads into seemingly less likely hands, CMS is easing participation barriers for less-organized physician groups. Unlike the previous well-funded system organizations, hospitals and their predetermined medical staffs, newer conventions are emerging, made of smaller aligned teams of doctors better positioned to penetrate specific high-cost targets. These agile teams are proving their abilities to dart around the negative participation common in larger unaligned and alternatively vested ACOs, which are struggling to build structure on poorly premised foundations.

Another interesting trend is the emergence of primary care-led ACOs. With capital and lack of prior significance being the main deterrents, organized primary care has been slow to apply and is a reluctant warrior. Many ACOs have primary care in their leaderships, but it is muffled and significantly diluted by other overriding partnership strategies that interfere with the primary care pure-play strategies. However, left undeterred, primary care pure plays are quickly moving to the top of the performance reports.

How is it possible that primary care offers the most promise to lead markets and drive accountability and achieve savings? The answer is simple. Primary care has the initial and ending roles in a patient's health. Except for acute episodes, primary care coordinates the vast majority of health care issues in a person's life. Acting as a portal in the continuum-of-care process, primary care interacts face to face and behind the scenes, managing patient progress and monitoring overall health statuses. It is no surprise primary care is the perfect choice for Medicare beneficiary attribution and population health



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management across all parts of the cost pool. Early intervention and preventative techniques, identification of potential red flags, and evaluating a broader segment of patients across multiple conditions give primary care the “tree-top view” to target and effect engagement and compliance.

Selecting the right ACO partner will determine your success as a physician as we move to value-based payment models. An ACO built on a false premise will not generate the highest potential for savings and value. If an ACO cannot generate savings, what good is it? Physicians will lose interest and realign with an ACO that has fewer negative participants and whose targets are not vested in tradition.

Second, and just as important, choose an ACO that appropriates savings to those who have the most influence to create success. What is the point in being part of a successful ACO if your share in the savings attributes elsewhere? Primary care has the ability to influence more than 85 percent of a person’s total health care. Be part of an ACO that directly recognizes and rewards your efforts, your distinct role as a primary care leader and your contribution to its success and outcomes.



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