

**EXHIBIT F**

**3/23/11 Navigant Slides**

**Comparative ACO Readiness Assessment**

# What is an ACO?



An ACO is a high performing **organized system** of care and financing that can provide the full continuum of care to an identified population over an event, episode, or a lifetime while assuming accountability for outcomes

# What makes the organized system an ACO?



- Takes responsibility for an episode or a lifetime of care for defined population
- Achieves established care outcomes and ultimately health for population
- Carries this out in a way that significantly lowers the cost of care
- Linked to form of payment reform that aligns incentives/rewards with outcomes
- Shares cost savings with patients (premiums) and providers
- Has a range of different “maturity levels” and payment strategies



## ACOs are one proposed “solution” to the following identified problems

- Improve alignment and with it, **efficiency**
  - Improve integration and with it, **quality**
  - Improve non-value-added variation, and with it, **effectiveness**
  - Improve access and with it, **timeliness**
  - Improve care processes, and with them **patient-centeredness**
  - Improve population health, and with it, **equitability**
- Therefore, ACOs are one strategy for “**value purchasing**” in healthcare
- Pass **shared savings** along to patients, purchasers, payers, and providers

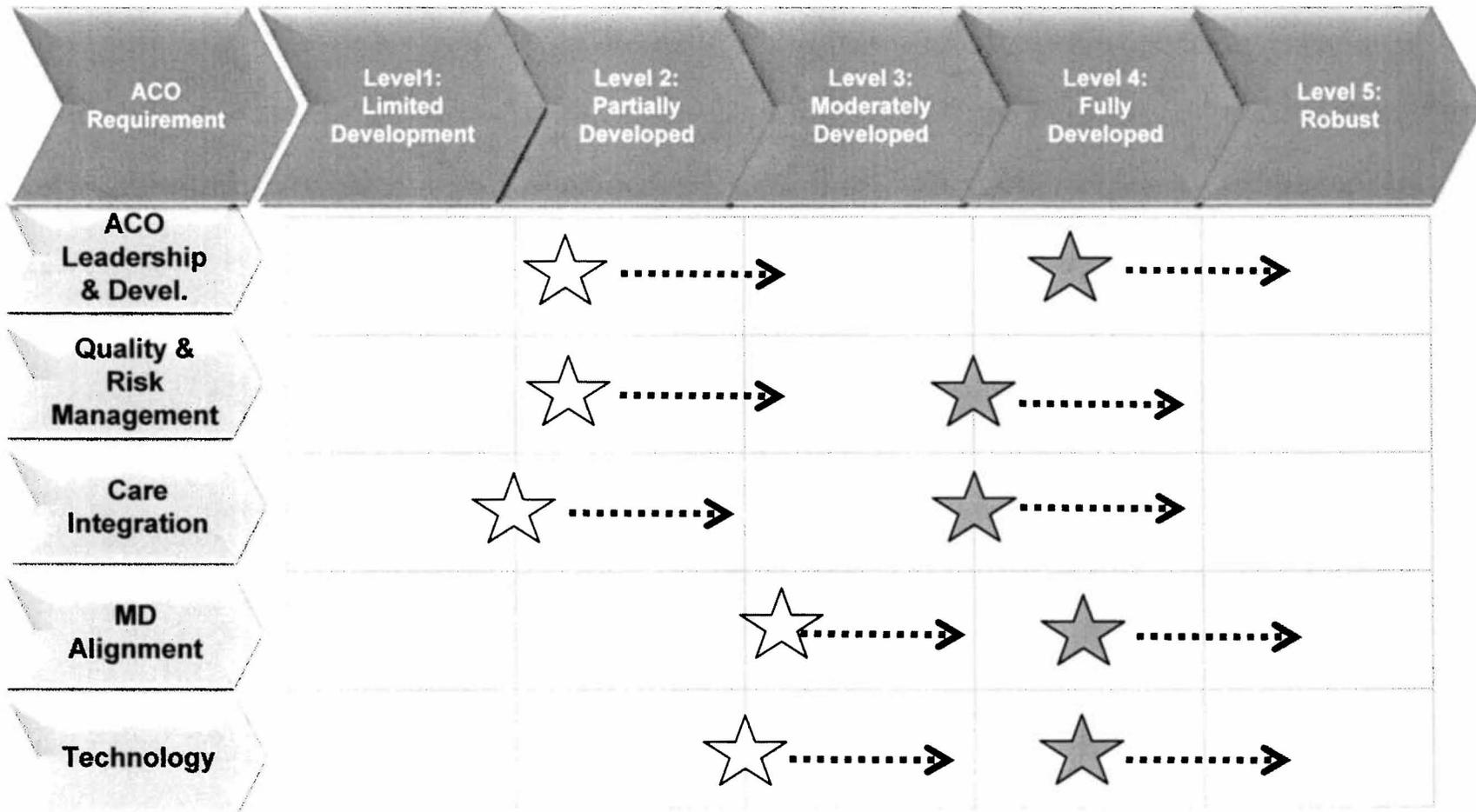
IOM SIX AIMS

# The 10 core building blocks of the ACO



- **Collection of physicians operating as a group practice**
    - Clinical leadership
    - Clinical effectiveness
    - Clinical integration
    - Operational/business management
  - **Facility-based care (hospital, SNF, LTAC, health center, etc.)**
  - **Advanced medical home model for primary care**
  - **Payer innovation, financial, and risk management strategies and capabilities**
  - **Comprehensive IT framework**
  - **Medical management system**
  - **Buyers and aggregators who see value in the offering**
  - **Engaged, informed patients**
  - **Committed leadership and supportive culture**
- Partnership**

# ACO Readiness Assessment



★ Southcoast

★ Steward

# ACO Readiness Assessment

PRELIMINARY DRAFT

	Level 1	Level 2	Level 3	Level 4	Level 5
<p><b>ACO Leadership and Development</b></p>		<p><b>Southcoast:</b></p> <ul style="list-style-type: none"> <li>✓ ACO/CI governance driven by NEQCA and in partnership with Premier.</li> <li>✓ Early stage exploration and development</li> <li>✓ 4 ACO-specific work groups: People Centered Foundation, High Value Network, Health Home, Population Health Data Mgmt.</li> <li>✓ Hospital focused</li> <li>✓ Occasional pockets of system functionality</li> <li>✓ 6 FTEs dedicated to CI and ACO development; hired ACO project manager.</li> <li>✓ SPN has operational capabilities that meet application requirements for participation in CMS shared Savings program</li> </ul>			<p><b>Steward:</b></p> <ul style="list-style-type: none"> <li>✓ Fully developed governance structure and evolving to more fully MD/Hospital integrated leadership</li> <li>✓ ACO planning contemplates and accommodates addition of other partners</li> <li>✓ Includes patient outreach to solicit and include patient feedback in ACO design and implementation</li> <li>✓ Work group structure includes Transitions in care Team, Mission team (ER use and Readmissions), Home Care and Hospice</li> <li>✓ Broad and positive experience with major system wide change initiatives</li> <li>✓ 5-6 FTEs for each local ACO; 2-4 FTEs in each PO; 1-2 FTEs in each hospital.</li> <li>✓ Global budget infrastructure will support shared savings program.</li> </ul>

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PRELIMINARY DRAFT

	Level 1	Level 2	Level 3	Level 4	Level 5
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## Quality and Risk Management

### Southcoast:

- ✓ Lean and 6 Sigma training
- ✓ Multiple sources of performance tracking: internal scorecards that drill down to groups/practice/provider, hospital LOS and other core measures
- ✓ Ability to enter into global risk contracts depends on NEQCA

### Steward:

- ✓ PHO/IPA develops quality improvement plans reviewed and approve by local board
- ✓ Centralized quality reporting at all level across the enterprise
- ✓ System-wide quality incentives
- ✓ IPA/PHO has access to measurement/monitoring systems
- ✓ ACO contracting team charged with expanding scope of global risk contracts
- ✓ SHCN built risk contracting infrastructure
- ✓ System board developed risk reserve to deal with long-term variability in risk performance
- ✓ Collaborative joint hospital/PO teams

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<b>Care Integration/Coordination</b>		<p><b>Southcoast:</b></p> <ul style="list-style-type: none"> <li>✓ Pockets are beginning to talk about initiating care integration</li> <li>✓ Pockets of clinical pathway or care protocol use: CHF disease mgmt; starting on diabetes</li> <li>✓ Beginning to explore data analysis tools</li> <li>✓ Care Management model design in process</li> <li>✓ Transitions of Care initiated with home care, rehab, SNF</li> <li>✓ Early stage discussion re: Medical Home with NEQCA</li> </ul>		<p><b>Steward:</b></p> <ul style="list-style-type: none"> <li>✓ Developing extensive diabetes disease mgmt program focused on process measures, outcome, patient engagement</li> <li>✓ Care mgmt program developed for all out of network tertiary admissions</li> <li>✓ High-risk patient and ambulatory care mgmt program</li> <li>✓ Integrated pharmacy support into care mgmt model</li> <li>✓ Joint hospital/MD performance teams</li> <li>✓ Enterprise-wide (cross-continuum) Transitions in Care team focused on d/c planning, ER use, readmissions</li> <li>✓ Medical Home in place</li> </ul>	

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PRELIMINARY DRAFT

	Level 1	Level 2	Level 3	Level 4	Level 5
Physician Alignment			<p><b>Southcoast:</b></p> <ul style="list-style-type: none"> <li>✓SPS=Southcoast Physician Services (PCPs, Hospitalists, Specialists); SPC=small group of employed PCPs – both groups part of SPN for risk-sharing contracts through NEQUA</li> <li>✓Early integration among physicians and between physicians and system – 2 pods: Southcoast Physician Services &amp; Southcoast Primary Care</li> <li>✓SPA and SPN track and analyze referrals</li> <li>✓Hospital-based physician recruitment done by HR; SPN recruitment done internally</li> <li>✓40-45,000 covered lives</li> <li>✓Limited call center services</li> </ul>	<p><b>Steward:</b></p> <ul style="list-style-type: none"> <li>✓7 IPAs, 1 PHO, 2 risk pods.</li> <li>✓ Approximately 500 employed MDs; SMG fully integrate into hospital strategic and operational planning</li> <li>✓MD structure accommodates addition of other groups</li> <li>✓ Partnered with NEHEN to launch robust referral mgmt program.</li> <li>✓ System tracks referrals for all major payers.</li> <li>✓ 5 FTEs focused on network development and recruiting</li> <li>✓ Joint MD/Hospital performance teams that review leakage &amp; implement retention plans</li> <li>✓ 95,000 commercial assigned HMO/POS</li> <li>✓ Physicians actively participate in setting system strategy and designing operating systems</li> <li>✓ Robust call center services</li> </ul>	

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PRELIMINARY DRAFT

	Level 1	Level 2	Level 3	Level 4	Level 5
Technology		<p><b>Southcoast:</b></p> <ul style="list-style-type: none"> <li>✓ Multiple systems in place including McKesson, Meditech Data Repository, Outcome Sciences, Informed and Genius.</li> <li>✓ Currently developing integrated IT plan</li> <li>✓ SPN practices will have use of NEQCA patient registry</li> <li>✓ SHS funds 85% of EMR for SPN providers</li> </ul>		<p><b>Steward:</b></p> <ul style="list-style-type: none"> <li>✓ EHR roll out to all employed and affiliated MDs</li> <li>✓ Fully funds HER adoptions to limits of Stark</li> <li>✓ Selected as Implementation Optimization Organization (IOO) under MA Regional Extension Center</li> <li>✓ CPOE currently above meaningful use rate;</li> <li>✓ All hospitals achieved HIMSS Stage 6</li> <li>✓ Centralized IT support team = 40 FTEs</li> <li>✓ Recently launched web-based registries in all MD practices</li> </ul>	