



January 29, 2016

Mr. David Seltz  
Executive Director  
Massachusetts Health Policy Commission  
50 Milk Street, 8<sup>th</sup> Floor  
Boston, MA 02109

RE: Proposed Accountable Care Organization Certification Standards  
Request for Public Comment

Dear Mr. Seltz:

Business Architects respectfully submits these comments on the Commission's proposed certification standards for Accountable Care Organizations. We applaud the work the Commission has taken on and believe your efforts will help provide strong leadership as the Commonwealth, and the rest of the country, continues to struggle with improving the quality of our healthcare while we attempt to get costs under control.

## The Context for Accountable Care Organizations

Over the past several years, we've watched the ACO concept evolve with cautious optimism. ACOs are a fundamental pillar of the Affordable Care Act, helping move the country from our traditional fee-for-service model to value-based healthcare. In our view, physicians in general, and primary care physicians in particular, will continue to be consumers' most trusted source of healthcare advice and ACOs can help consumers strengthen those relationships. In short, we support the industry's movement towards ACOs.

That said, we find the ACO model bewildering, far from transparent, potentially adding complexity to our already complex healthcare environment. ACOs should provide far greater coordination of care, although the large payers and integrated delivery networks are already moving in that direction. The certification standards should highlight how ACOs are helping coordinate care over and above the efforts that are already underway.

More importantly, the certification standards must assure the public that ACOs will address the significant concerns that have been raised in the industry and in the Commission's January 20<sup>th</sup> board meeting:

- In Massachusetts, our price transparency efforts have produced lackluster results. How will the ACO address this? How will an ACO balance its desire to keep services within the ACO with a potential conflict with a consumer's coverage, particularly as we see narrower networks and higher out-of-pocket costs for the consumer?

- As the Commission reported last week, provider prices vary extensively for the same set of services and provider price variation has not diminished over time. Will ACOs change this pattern or will they actually reinforce the current imbalance?
- Will commercial ACOs have the experience, knowledge, and infrastructure to take on risk? Do they effectively become payers? Do the certification standards provide assurance that consumers are adequately protected from this risk? While we understand that the proposed certification standards only touch on these issues, we believe they are an essential component of evaluating and certifying an ACO's operations.
- Will ACOs actually achieve enough savings to influence behavior for physicians and other providers?

We certainly realize ACOs are complex and evolving. Hopefully, we're moving past the environment we were in two years ago where "if you've seen one ACO, you've seen one ACO." Today, we're seeing distinct patterns of ACOs evolve and the certification standards will support that maturing marketplace. As a result, we encourage the Commission to strengthen the certification standards to provide the transparency our consumers will expect.

## Consumer Transparency

To address these issues, we believe the certification standards must assure greater transparency from a consumer's perspective. Specifically:

- An ACO should be required to inform a consumer that he or she is participating within an ACO. While technically the Affordable Care Act appears to leave open the possibility that a consumer could be in an ACO and not know it, the Commission should rule this possibility out. Certainly, the consumer needs to participate in efforts to coordinate his or her health. We also want to avoid a scenario where the consumer is blind to a potential conflict of interest between the ACO and the consumer's coverage. Ideally, the certification standards will encourage ACOs to align their structure and operations with their consumers' health plans to prevent these conflicts from occurring.
- As we've indicated, we believe the primary care physician will be the consumer's most trusted healthcare advisor. The certification standards should place a greater emphasis on providing the primary care physician with better information about the consumer's coverage in terms of actual cost and network participation. Our transparency efforts will continue to produce disappointing results unless we provide the physician with accurate information when he or she issues an order, writes a script, or makes a referral.



- The certification standards should require ACOs to publish information about their actual results, particularly with respect to cost savings achieved, the ACO's cost relative to the broader marketplace, and any possible risk. If ACOs are going to gain traction and help us improve our overall healthcare system, consumers need to be able to assess those results.

Please consider these recommendations and let me know if you would like us to review it with you or your staff face-to-face.

Sincerely,

A handwritten signature in black ink on a light blue background. The signature reads "Jim McCauley" in a cursive script.

Jim McCauley  
President  
Business Architects

#### About Business Architects

We launched Business Architects in 1993 believing we could help businesses transform their core operations by applying innovation ideas about technology, business process redesign, and organizational change. In 1997, we sold our reengineering techniques to Perot Consulting, headed by Jim Champy, co-author of the ground-breaking book, *Reengineering the Corporation*. Since then, we've continued to foster change with many organizations in healthcare, financial services, and other industries.

Today, Business Architects is working to change the national conversation about healthcare. Tomorrow's healthcare consumers and value-conscious providers are eager to help control our nation's healthcare costs, but they can only do so if we modernize our healthcare infrastructure and provide them with easy-to-use cost transparency tools for their day-to-day healthcare purchases.