



SURVEY REPORT

ACOs Report COVID-19 Pandemic Impact

Central to the mission of an accountable care organization (ACO) is a commitment to bettering the quality of care and clinical outcomes while also reducing unnecessary expenditures for members.

The COVID-19 pandemic has had an unprecedented impact on ACOs and other providers participating in value-based care arrangements, introducing new challenges and uncertainty while also spurring rapid transformation across reimbursement, care delivery, and population health.

In June 2020, Collective Medical surveyed ACO leadership across the country to assess the impact of the pandemic. This survey sought to evaluate how COVID-19 has affected patient care and reimbursement while also gauging how ACOs are planning—in the coming year—to shift priorities, modify population health approaches, and collaborate with stakeholders across the care continuum.

The Impact of COVID-19 on Value-Based Care Models

Nearly 86 percent of ACO survey respondents said that the COVID-19 pandemic has exposed flaws in reimbursement models.

In “normal times”, controlling healthcare spending and utilization in a healthcare system with largely misaligned incentives and fragmented infrastructure—among other problems—is difficult. During a global pandemic, this goal becomes exponentially more challenging.

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Earlier this year, the general strain on the healthcare system coupled with widespread lock downs and shelter-in place orders took healthcare access issues to a new level. Patients and providers saw delays in routine care as well as disruption in chronic care management.

For ACOs, the pandemic surfaced many questions about how the pandemic would impact financial reconciliation for value-based care contracts, such as how COVID-related spending would be identified and whether or not ACOs would be held accountable, or how patient behaviors would impact member attribution in population-based models.

ACOs reported that the top three areas with the greatest potential impact on value-based care models and contracts are readmissions, quality measure performance, and post-acute utilization.

What Is an ACO?

An ACO, or accountable care organization, is a group of physicians, hospitals, and other providers who come together to provide coordinated high-quality care to a defined population of patients.

Through care coordination, ACOs seek to deliver the right care at the right time while avoiding unnecessary utilization of services and medical errors. Under value-based reimbursement models, ACOs who deliver high quality care and reduce the total cost of care have an opportunity to share in financial savings.

What areas do you see having the greatest impact on reimbursement for your organization's value-based care contracts?

- Readmissions and hospital-based utilization: 58.33%
- Quality measures performance (e.g. HEDIS): 58.33%
- Post-acute utilization—including skilled nursing facilities: 58.33%
- Out-of-network utilization: 50%
- Patient experience: 25%
- Other: 25%

CMS Adjustments

To address the unparalleled situation and help dissolve some ambiguity around reimbursement, the Centers for Medicare and Medicaid Services (CMS) has issued new rules, flexibilities, and adjustments for ACOs and other providers.

On April 30, CMS announced it would be “making changes to the Medicare Shared Savings Program [MSSP] to give the 517 accountable care organizations serving more than 11 million beneficiaries greater financial stability and predictability during the COVID-19 pandemic.”¹

These changes included adjustments that would reduce ACO accountability for costs related to COVID-19. Additionally, CMS made the decision to forgo the 2021 MSSP application cycle, allowing ACOs to stay in their current agreements and maintain their current level of financial risk for another year, as opposed to moving on to a higher risk track.

On June 3, CMS announced new flexibilities and adjustments to the Center for Medicare and Medicaid Innovation (CMMI) models to address the public health emergency.² Changes included adjusting financial methodologies, quality reporting, and timelines. Notably, the Next Generation ACO Model, which was slated to sunset at the end of 2020, was extended through December 2021. CMMI also delayed the start of the first performance period for the new Direct Contracting model to April 1, 2021.

The Changing Landscape of Population Health

Population health refers to the health outcomes of a particular group of people, including the differences and disparities in outcomes within that group. Approximately 93 percent of survey respondents reported that COVID-19 has definitely had a lasting impact on how organizations will approach population health going forward.

Specific population health changes predicted by ACOs include continued widespread use of telehealth technology and more investment in addressing social needs.

How do you see population health changing as a result of COVID-19?

- Continued widespread use of “virtual” visits and “distance” visits: 81.82%
- More significant investment in addressing social needs: 63.64%
- More significant investment in supporting mental and behavioral health: 45.45%
- Greater emphasis on timely identification of patients with high risk: 45.45%
- Increased support for primary care: 36.36%
- Increased use of home health: 27.27%
- Stronger stakeholder alignment across the care continuum: 18.18%
- Other: 0%

Widespread Usage of Virtual Visits

Nearly 82 percent of survey respondents reported that the ongoing pandemic would continue to accelerate adoption of telehealth and widespread use of virtual and distance visits. Data from 185,000 patients across the nation found that COVID-19 has had a drastic impact on patients affected by chronic illnesses—with 61 percent of patients being disrupted from receiving their regular care because they were unable or did not try to replace that care with telemedicine.³

By implementing and continuing use of virtual visits, ACOs can continue to monitor patients, particularly those in need of chronic illness management, proactively outreach to at risk patients, and prevent unnecessary hospital stays or emergency department visits—ultimately leading to more effective total cost of care management.

Addressing Social Needs

Social needs generally include food security, transportation, housing, and relationships. Individuals with unmet social needs are much more likely to experience poor physical and mental health. According to Kaiser Permanente, 68 percent of Americans have experienced an unmet social need in the last year and 28 percent of Americans have reported that an unmet social need was a barrier to health.⁴ Examples of these barriers include prioritizing food or

housing costs over medical needs, not seeking care or picking up a medication due to lack of transportation, or an individual's asthma being exacerbated due to improper ventilation in their building.

Expanding on social needs, social determinants of health (SDOH)—which are the conditions (such as socioeconomic or physical factors) in the environments where people live, learn, work, and play—can have a significant impact on an individual's health. In fact, the Centers for Disease Control and Prevention (CDC) has reported that COVID-related serious illness and death disproportionately affect racial and ethnic minority groups due to “long-standing systemic health and social inequities”.⁵

A 2019 report on SDOH found improved health outcomes, decreased cost of care, and increased patient engagement were some of the benefits of creating and supporting SDOH programs.⁶ By investing more significantly in identifying and addressing social needs, ACOs can improve clinical outcomes while simultaneously decreasing the cost of care.

Priorities & Focuses for the Upcoming Year

As we slowly begin to move towards a post-pandemic world, ACOs have adapted their strategic priorities, operations, and care management approaches in order to meet the needs of COVID and non-COVID patients and also ensure success in value based care arrangements moving forward. ACOs are increasingly focused on identifying high risk patients in their population, as well as collaborating with different stakeholder groups including primary care and behavioral health providers.

High-Risk Patient Populations

Over 71 percent of the ACOs surveyed said that COVID-19 has exposed gaps in patient care. This is especially true for at-risk patients with chronic illness. According to the CDC, individuals with underlying chronic conditions have a higher risk of severe illness and death related to COVID-19—and six in ten Americans have at least one chronic condition.^{7,8}

High-risk patient populations have always been a top priority for ACOs when it comes to controlling healthcare costs—and the pandemic has amplified that concern. Two of the top three priorities for ACOs as we emerge from the pandemic include identifying high-risk patients (nearly 67 percent) and ensuring they have the support and tools needed to manage their health (over 58 percent).

What are your organization's top priorities as we emerge from the pandemic?

- Supporting primary care practices: 83.33%
- Identifying high-risk patients: 66.67%
- Ensuring high-risk patients have the support and tools needed to manage their health: 58.33%
- Preventative care: 41.67%
- Reducing revenue expenses in care management and care delivery: 33.33%
- Other: 8.33%

Supporting Primary Care

Primary care physicians serve as the linchpin of ACOs—providing preventative care and chronic disease management and keeping patients out of EDs and hospitals. For surveyed ACOs, over 83 percent indicated that their highest priority is supporting primary care practices. Similarly, 75 percent of respondents reported that primary care was the top stakeholder group to collaborate with in the coming year.

Primary care has been hit hard by the pandemic, with record-low patient volume due to mandated holds on elective procedures and patients cancelling and postponing appointments due to fears of getting ill. Additional pressures, such as lack of personal protective equipment and financial struggles have also created challenges. Strengthening support and coordination with primary care providers and practices is critical to improving care quality and managing care costs for ACOs.

Narrowing in on Behavioral Health

Over 58 percent of respondents reported that their organizations would be focusing on collaborating with behavioral health providers in the coming year—and for good reason. The Kaiser Family Foundation found that 45 percent of US adults have experienced negative impacts on their mental health due to COVID-19.⁹

Additionally, over 83 percent of primary care clinicians have reported higher rates of emotional and mental distress among patients due to the pandemic.¹⁰ The social isolation, increased distress, and financial uncertainties associated with the global health crisis can also exacerbate struggles with substance use disorders—particularly for individuals currently receiving treatment and experiencing barriers.

For ACOs seeking to deliver patient-centered care that goes beyond medical needs, collaboration with behavioral health and substance use disorder providers is essential.

What stakeholder groups are you most focused on collaborating with in the coming year?

- Primary care: 75%
- Behavioral health providers: 58.33%
- Skilled nursing facilities: 41.67%
- Speciality care: 33.33%
- Emergency departments: 33.33%
- Inpatient case management: 25%
- Community-based organizations—such as homeless shelters, food pantries, housing authorities, etc.: 25%
- Home health providers: 25%
- Medication Assisted Treatment (MAT) providers/facilities: 0%
- Other: 0%

About Collective Medical

Collective Medical provides the nation's largest and most effective ADT-based network for care collaboration. Our risk-adjusted event notification and care collaboration platform spans across all points of care—including emergency departments, hospitals, payers, behavioral and physical ambulatory, and post-acute settings. This technology integrates seamlessly with existing workflows and allows providers to identify and support at-risk patients in real time—avoiding preventable admissions and utilization and providing better care.

Learn more at collectivemedical.com

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