Integrated Healthcare Association (IHA) and Pacific Business Group on Health (PBGH) Partner on Commercial ACO Measurement & Benchmarking Initiative
FREQUENTLY ASKED QUESTIONS

1. **What is the Commercial ACO Measurement & Benchmarking Initiative?**

   The ACO Measurement and Benchmarking Initiative—a joint-IHA-PBGH effort—will develop and implement a standard commercial ACO performance measure set for participating purchasers, health plans, and providers to improve performance on quality and cost metrics while advancing national efforts for coordinated, meaningful performance measurement that promotes high-quality, affordable, patient-centered care—or high-value care.

   The ACO measurement and benchmarking initiative will launch in 2018 and include 18 clinical quality, hospital utilization, and cost measures for care provided in 2017, ranging from recommended cancer screenings to comprehensive diabetes care to emergency department visits to the total cost of care per enrollee. In the following years, additional developmental measures will be added and tested, bringing the total to about 30 performance measures that will include several outcomes measures as well as measures of patient experience, ideally through patient reporting methods.

   Additionally, IHA and the National Quality Forum (NQF) are partnering to establish national ACO benchmarks and advance new measures that are vital to ensuring credible and actionable information to drive performance improvement.

2. **Why do we need a new initiative? Aren't there already lots of ACO performance measures and organizations promoting ACO measures?**

   Health care quality and cost performance measures have proliferated nationally, increasing reporting demands on clinicians and other providers. We need to make performance measurement more meaningful and less burdensome or potentially end up working at cross purposes to advancing higher-value care. We need credible, consistent performance measurement systems that engage clinicians and cut down on reporting burden so they can focus on providing high-quality care as efficiently as possible. In IHA's analysis of nine different ACO measure sets, only four measures were common across the measure sets. Several plans have measure sets that include well over 100 measures, while purchasers themselves have defined measure sets specific to their employee population. ACOs currently collect hundreds of distinct performance measures that vary from health plan contract to health plan contract. The unfortunate consequence of this uncoordinated approach is that ACOs are unable to keep up with the reporting requests and can't focus on improving patient care. Creating a single, comprehensive set of performance measures will help providers and health plans focus on what matters most—improving patient care.

   Given the high and variable costs and uneven quality of care across California and the nation, purchasers and payers increasingly are seeking to identify physicians, hospitals and other providers that deliver high-quality care at an affordable price through ACOs. But we need a common relevant yardstick to measure and benchmark ACO performance to make sure we are accomplishing those goals.

3. Why is California taking the lead in this area?

California is a leader in both provider payment innovations, such as ACOs, and provider performance measurement and benchmarking initiatives, such as IHA's VBP4P and Medicare Advantage Stars programs. So, California is in a great position to make performance measurement more meaningful and less burdensome for providers by using existing relationships, collaborative and existing committee structures, existing benchmarking methodologies, and historical data and experiences to ensure the best chance of success. Rather than building this infrastructure from scratch, California can and should rely on its 20+ years of experience in coordinated measurement and benchmarking from its commercial HMO and Medicare Advantage experience. One statistic highlights this advantage- over 80% of the identified commercial ACOs in California already participate organizationally in the IHA Value Based P4P program, which includes benchmarking and public reporting.

4. Is this just a California initiative? Aren't ACOs important throughout the country?

This is not a California-only initiative. IHA has compared the IHA-PBGH ACO measure set with all major national measure sets, and it is largely aligned. In non-aligned areas, IHA is working directly with other measure entities to increase alignment, especially for proposed measures. Furthermore, some of the endorsing purchasers and plans have a national or multi-regional presence and have committed to implementing the initiative across their entire organization, not just in California. And, many endorsing organizations also participate in other ACO measurement efforts and will carrying the "alignment" message to those efforts. Finally, as important as the individual measures are, the actual implementation of measurement and national benchmarking methodologies is what enables performance improvement, which is the ultimate goal of the IHA-PBGH initiative.

5. Does the Centers for Medicare & Medicaid Services (CMS) support the initiative and does it impact Medicare-certified ACOs?

Currently, the IHA-PBGH ACO Initiative targets commercial ACOs, not ACOs in Medicare. The population enrolled in commercial ACOs – primarily working-age people and their families—is quite different from the Medicare population, so performance measures will differ based on population differences in some cases. At the same time, we have taken great care to align with CMS alternative payment model (APM), MACRA, and Medicare ACO measurement processes as much as possible. However, this initiative has not yet been formally reviewed or endorsed by CMS. We have discussed the initiative with CMS officials as a possible model for CMS and other regional efforts to standardize performance measurement and reduce physician burden.

6. Can other organizations participate? Can they use only a subset of measures?

All purchaser, plan, and ACO provider organizations are welcome to participate (which for plans would require data submission) and adopt the technical specifications and policies developed through the program. While it is anticipated that not all organizations will focus on all measures, the goal of the IHA- PBGH initiative is to ensure that all organizations will make a good faith effort to report all measures, beginning with the core set, and will adopt new measures from the development set as they come "online," and will not expect or require ACOs to report on measures not in the approved set.

We also encourage participants to use the IHA governance/committee structure and process to promote new measures of interest. Of note, at this time the IHA-PBGH ACO initiative is a

measurement and benchmarking initiative only; incentive payments, contract applications, and public reporting remain up to each individual organization and their contractual partners to define, including which measures from the approved set are used for contractual purposes.

7. **Will there be incentive payments for providers to improve their performance? Will the results be publicly reported?**

   The major objective of the commercial ACO performance measurement program is aligning measurement efforts to improve the efficiency and effectiveness of physician organization and health plan performance improvement activities. Unlike the VBP4P program, commercial ACO performance measurement will not include a standard incentive design or be publicly reported. Rather, the emphasis is on standardizing performance measurement, reporting, and benchmarking to provide ACO participants with a comprehensive and meaningful understanding of their performance.

8. **What's the timing and what are the roles of the various participants?**

   The proposed ACO measurement program targets initial reporting among participants in 2018, based on measurement year (MY) 2017 data. Expectations for participants during initial development and reporting include:

   - Purchasers adopting a common, standard measure set.
   - Health plans reporting data for all measures, using established VBP4P data collection and reporting processes.
   - ACOs, which can self-report data in parallel with health plans, using measurement results to inform performance improvement and efficiently target limited resources.
   - IHA collecting data from health plans and ACOs and reporting results to participants through established VBP4P processes.

9. **How did you come up with the 35 measures?**

   The 35 measures in the IHA-PBGH Commercial ACO Measure Set incorporate input from the IHA Board of Directors, including purchaser representatives (CalPERS, Covered California, and Google), the VBP4P governing committees, PBGH, and representatives from regional and national stakeholder groups, such as CAPG, NQF, and the CMS/AHIP Core Quality Measures Collaborative. Importantly, the initial core measure set of 18 measures is derived from measures already in use and publicly reported in IHA's VBP4P program. This is critical, since most ACO organizations are also participants in the VBP4P program and have familiarity with the measures. The developmental set of 17 measures and the NQF managed process around them will allow the initiative to focus and test new, more complicated measures in a predictable way with a highly sophisticated subset of providers, which in turn will accelerate their adoption or identify their weaknesses.

   The complete measure set will be continually evaluated and maintained by the VBP4P governing committees, leveraging their clinical and technical expertise in this area, while monitoring and incorporating developments from other measurement initiatives. We anticipate the measure set will remain dynamic but explicitly managed and coordinated across the purchaser, plan, and ACO participants. The VBP4P governing committees include equal representation from health plan and provider organizations, as well as purchaser representation.

10. How will the measurement program be implemented?

The measure set leverages the established and trusted IHA VBP4P measure set development and communication processes crucial to participant buy-in, including:

- Responsive, continuously evolving measurement that allows for annual updates and ensures stakeholder perspectives are represented in development.
- Standard measure specifications that are published and available to participants at no cost.
- Established processes for participant review of results and resolution of appeals.
- Standard and consistently communicated data collection process and timeline supporting various levels of provider organization participation.

11. Aren't there many differences between ACOs in terms of financial risk-sharing models, attribution models, etc.? How will this initiative handle that? Will you first standardize these definitions?

Health plans and providers have taken a variety of approaches to organizing ACOs, especially how to attribute enrollees to the ACO and structure risk-sharing arrangements, even though all of these different arrangements fall under the general label of "ACO." While these characteristics may impact performance, it is not clear yet which ones are material or should impact how ACOs are compared to each other. To start, the IHA-PBGH initiative will accept at face value any current provider organizational structure that is identified as an "ACO" in an existing health plan contract. It's important to reflect and measure the range of ACOs operating in the commercial market. However, over time, as measurement reporting and analysis are conducted, material differences that are identified among different types of ACOs will be considered. These considerations and analysis, and what implications they have for a standardized measurement and benchmarking program, will be the specific focus of the IHA and NQF benchmarking partnership that accompanies this initiative. It is anticipated that different ACO models may need to be separately reported or that some standardization of model characteristics may be proposed/considered as the result of this process.

12. This initiative could have significant implications for ACOs nationally. How public will it be?

IHA is fully transparent in all its programs regarding process, technical specifications, and participants and will make this information available to the public. However, the results for each participant, including health plans, purchasers, and ACOs, will be available on an identified basis to participants based on their existing contractual relationships. Aggregate and de-identified results will be produced as appropriate by IHA.