

# Optimizing ACO Care Management Programs to Succeed in Downside Risk Arrangements

By now, it is well documented that a small percentage of “super users” account for over half of the health care costs in the country. A concept first brought to mainstream attention by Atul Gawande’s oft-cited 2011 article *Hotspotters*, identifying these super users and establishing targeted interventions has the potential to both vastly improve these individual’s health outcomes and drastically reduce the cost burden of caring for these individuals. This has been an especially important concept for Accountable Care Organizations (ACOs) as they typically assume care for a high percentage of these super users. Furthermore, as ACOs continue to evolve into downside risk arrangements, it becomes imperative to establish the frontline care resources and interventions, the care model, necessary to improve quality and optimize total cost of care. Care management is one of the core services that has the ability to impact member outcomes and deliver the return on investment necessary to succeed.

Organizations can benefit from utilizing a care management framework to guide process and decision-making—whether they are trying to assess and optimize existing care management infrastructure or design and implement new programs and interventions. The framework outlined below is an example of how a robust, holistic approach to care management can help to ensure efficient use of resources that provide maximum value to both members and the organization.

## Member Identification and Risk Stratification

Member identification and risk stratification is the first step in an effective care management program, ensuring that care management resources and interventions are allocated to those members whose outcomes and costs are most likely to be impacted. Member identification and risk stratification has become big business with many academic institutions, IT companies, and consulting firms selling proprietary algorithms for risk stratifying members. These algorithms all have common elements that are used to predict which members are most likely to benefit from care management interventions and, in turn, have the biggest return on investment. The common elements used in each of these risk stratification algorithms include:

- Age and gender
- Member utilization
- Total cost of care
- Diagnoses categories and chronic conditions
- Geographic hot spotting

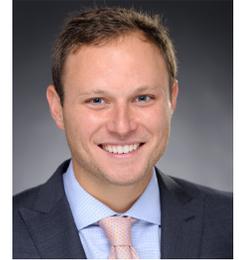
## Member Attribution

Risk stratification leads to a chase list of members that are eligible for and would benefit from care management services. Once that chase list is created, each member must be attributed to a care management resource to begin the engagement and enrollment process. Attribution to a specific care management resource helps to establish a relationship between the care team and the member, encourages patient engagement, and enables care coordination across the continuum of care for all services that a member may utilize. Organizations use a variety of variables to attribute members to care management resources. Some of those factors include:

- Primary Care Provider
- Geographic Location
- Diagnosis Category



**Yomi Ajao**  
Vice President



**Greg Carlow**  
Manager

“As ACOs continue to evolve into downside risk arrangements, it becomes imperative to establish the frontline care resources and interventions, the care model, necessary to improve quality and optimize total cost of care.”

## Care Management Delivery and Interventions

A comprehensive care management strategy provides whole-person, data driven care management as the primary tool for improving outcomes and reducing acute care utilization. Effective care management delivery and interventions include an overall approach that addresses all of a patient's needs with specific disease management programs layered on top for complex and/or high cost diagnoses such as cancer, end-stage renal disease, congestive heart failure, and diabetes. When designing and implementing care management interventions the following elements should be considered:

- Delivery methodology (remote/telephonic and/or embedded care management)
- Social determinants of health
- Care coordination
- Care transitions and utilization management

## Care Management Workforce

Investing time and resources in member identification, risk stratification, and member attribution is fundamental to recruiting and training a care management workforce equipped to deliver effective care management interventions that meet members' needs. Building and maintaining a care management workforce is a significant investment that requires careful planning and consideration to ensure that care team members are working at the top of their license and a return on investment is realized. Some of the key factors that ensure cost-effective and impactful care management interventions include:

- Volume-based staffing ratios
- Care management delivery approach (remote or telephonic vs. embedded)
- Utilization of both licensed and non-licensed care management resources
- Training standardization
- Management and oversight

## Program Evaluation and Reporting

Care management program evaluation and reporting should present a comprehensive view of the care management program process and outcomes. The maturity of the IT and analytics infrastructure can vary by potential breadth of data that can be gathered in order to determine program efficacy and ability to achieve the goals of the organization.

- Program and process efficiencies
- Patient engagement
- Experience of care
- Workforce
- Reduced medical costs
- Better health outcomes

By ensuring a robust, holistic approach to care management, providers can help to ensure they provide value to both members and the organization, and achieve desired outcomes in downside risk contracts.

**COPE Health Solutions** is a national leader in helping health care organizations succeed amid complexity and uncertainty

For more information on how to optimize your ACO care management program to take downside risk, please contact Yomi Ajao at [yajao@copehealthsolutions.com](mailto:yajao@copehealthsolutions.com) or (213) 259-0245.