

# **TOWARD THE SUCCESSFUL ACO – WHY PHYSICIAN-TO-PHYSICIAN COORDINATION IS BOTH ITS GREATEST CHALLENGE AND OPPORTUNITY**

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# Context and Recap

- ACO trend not dependent on federal health care legislation



Audio #1



Audio #2

# Context and Recap (cont'd.)

- Quick Review of Critical Competencies for ACO Success
  - Robust system-wide HIT infrastructure
  - Aligned financial incentives – payment for value, not volume
  - Infrastructure and legal structure tailored to setting
  - Clinically reliable performance measurement
  - Locally appropriate and prioritized performance metrics and benchmarks – physician-led but part of multi-disciplinary team
  - Ability to integrate care across time, settings, disciplines, providers, and geography

# Why Is Developing a Culture of Collaboration the Greatest Challenge to ACO Success?

- Unprecedented Scale
  - It will dwarf any partnership, relationship, trust, and interdependency building activities in the history of medicine
  - “Clinical transformation is the linchpin of ACOs’ success, and it does not happen automatically by simply changing payment arrangements and measuring performance.” Mark McClellan, *A National Strategy to Put Accountable Care Into Practice*, *Health Affairs*, May 2010

# Why Is Developing a Culture of Collaboration the Greatest Challenge to ACO Success? (cont'd.)

- Alien to scientific training and clinical decision-making skills of physicians
- Alien to fee-for-service win/lose v. win/win negotiation habits
  - The # 1 Challenge according to Deloitte – “[P]hysicians’ culture of independence and autonomy will have to be addressed.... The relationships between primary care providers and specialists have the potential to be an **issue....**” Accountable Care Organizations: A New Model for Sustainable Innovation, Deloitte Center for Health Solutions, 2010.

# Why Is Developing a Culture of Collaboration the Greatest Challenge to ACO Success? (cont'd.)

- The # 1 Challenge according to Navigant – “For many organizations, today’s biggest challenge is not *physician-hospital* integration, but its precursor condition, physician-physician integration. Health care leaders eager to move forward are confronting a confusing, redundant, or underdeveloped physician leadership architecture that does not support the organization of an integrated patient-centered, outcome-focused, organized delivery system....” Accountable Care Organizations & Payment Reform: Setting a Course for Success, Navigant Consulting, 2010.

# Why Is Developing a Culture of Collaboration the Greatest Challenge to ACO Success? (cont'd.)

- Hardest, compared to the other Essential Competencies for ACO Success
  - Others are tangible system, structure, and HIT components
  - This one is a largely unquantifiable and immeasurable cultural transformation

# Why Is Developing a Culture of Collaboration the Greatest Opportunity for ACO Success?

- A rare and possibly the last chance to regain control of the physician/patient relationship. Who better than you to design how care should be delivered? Leveraging effect of system design on health care improvement.
- A few physician champions can “move the dial.
- NC already a national leader in physician-driven ACO success.

# Why Is Developing a Culture of Collaboration the Greatest Opportunity for ACO Success? (cont'd.)

- Awareness half the battle. Toolkit for win/win collaboration development available. Physicians who reflexively retreat to their silos in resistance to change will never avail themselves of it. This and other physician-led ACO summits and communications are key and in motion.
- Basic Economics – When it comes to dividing up the shared savings “pie,” so to speak, if there isn’t a substantial pie of overall savings, it doesn’t matter how well you or your specialty performed.

# Why Is Developing a Culture of Collaboration the Greatest Opportunity for ACO Success? (cont'd.)

- New physician leadership architecture emerging:
  - Ability to develop strong teams and shared culture
  - Ability to mediate stakeholder priorities
  - Ability to clearly, regularly, and consistently communicate vision, strategy, and direction to internal and external shareholders
  - Ability to change when necessary
  - Ability to innovate

“Discussions about employment, independence, autonomy, control, power, and balance of authority—which have been producing far more heat than light—are being replaced by conversations about clinical integration, standardization, reliability, consistency, and shared leadership and influence.” Accountable Care Organizations & Payment Reform: Setting a Course for Success, Navigant Consulting, 2010.

# Summary

This is hard; it takes physicians far away from their comfort zones; it will dwarf anything before it—but it is absolutely essential to ACO success according to principles of the medical profession. Will enough North Carolina physician champions emerge to effect this change in time?

# Thank You!

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