Premier, Inc. Collaborative ACOs Outperform Other Medicare Shared Savings and Pioneer Program ACOs in Both Cost and Quality

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PACT™ population health management collaborative lessons learned can help guide other ACOs and public policy

CHARLOTTE, N.C.--(BUSINESS WIRE)-- Accountable care organizations (ACOs) in Premier, Inc.'s (NASDAQ: PINC) PACT™ population health management collaborative outperformed other participants in the Medicare Shared Savings (MSSP) and Pioneer programs, reporting higher than average scores in 22 of the 33 quality measures, with year-over-year improvements nearly double the national rate. As a result, a larger percentage of PACT ACOs achieved shared savings payments from Medicare when compared to national results.

According to the Centers for Medicare & Medicaid Services (CMS), 26 percent of the 353 MSSP and Pioneer ACOs qualified for shared savings nationwide in performance year 2014. However, 47 percent of the MSSP and Pioneer ACOs in PACT qualified to earn approximately $50 million in the same time period. PACT ACOs also earned a larger proportion of the shared savings paid by Medicare, making up just 5 percent of all ACO program participants, yet earning 12 percent of the total amount distributed.

“We participate as a Pioneer ACO because we want to be leaders in bending the healthcare cost curve,” said Greg Wotjal, chief financial officer at Banner Health Network in Phoenix, a Pioneer ACO that reduced spending by more than $29 million in performance year three. “Key to our success has been a laser-like focus on optimizing efficiencies and ensuring that all patient care is provided in the right setting, at the right time, to prevent a problem that leads to a high-cost hospitalization.”
In addition to significant cost savings, PACT ACOs improved their overall quality scores by 7.06 percent when compared to scores from performance year 2013, nearly double the 3.43 percent improvement gain achieved nationwide. Average composite quality scores of PACT ACOs reached 88 percent, up from 72 percent last year. This equates to a 16 percentage point gain, driven by superior performance in the following measures:

- ACO 11, primary care physicians who successfully qualify for an EHR program incentive payment;
- ACO 13, screening for fall risk;
- ACO 14, influenza immunization;
- ACO 17, tobacco use assessment and cessation intervention;
- ACO 19, colorectal cancer screening;
- ACO 20, mammography screening;
- ACO 22-27, diabetes management;
- ACO 28, hypertension management; and
- ACO 29-30, management of ischemic vascular disease.

“The most recent CMS results prove that ACOs are delivering on the promise for cost and quality improvements,” said Dr. Amy Frankowski, chief medical officer, Mercy Health Select, and senior medical director of population health, Health Select, in Cincinnati. “But achieving the improvements necessary for shared savings payments is difficult work, requiring new governance structures, a plan for physician engagement, care coordination and comprehensive chronic disease management programs. We are pleased that in 2014 Mercy Health Select ranked in the top 10 out of 333 ACOs nationally for the amount of savings generated for the Medicare program. It is also among the 27 percent of ACOs that generated shared savings.”

Created at the start of 2010, Premier’s PACT collaborative includes more than 400 hospitals and thousands of clinicians working together to measure and improve the health of people in their communities. PACT is focused on measuring performance and scaling innovation, including enhancing quality and patient engagement, lowering costs, increasing physician alignment, designing and implementing new value-based payment models, and managing population health. Through the collaborative, Premier provides the opportunity for leading health systems to work together, share insights and learn core capabilities from each other. Members have published their experiences in developing successful population health models in three white papers with The Commonwealth Fund, a private foundation that aims to promote a high-performing healthcare system.

“PACT ACOs are real leaders in transforming healthcare, generating some of the largest cost and quality gains in both the MSSP and Pioneer programs,” said Wes Champion, senior vice president of Premier Performance Partners,
“These results prove that ACOs can be highly successful when they are supported by a scientific methodology for performance improvement that leverages robust population health data management analytics, continuous benchmarking and performance improvement initiatives, all led by dedicated experts.”

PACT is one of Premier’s six performance improvement collaboratives in which a total of approximately 1,200 hospitals participate. Premier collaborative members anticipate and prepare for the future of healthcare by focusing on improving quality management, cost and safety, as well as creating new care models to transform healthcare and create healthier communities.

About Premier, Inc.

Premier, Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of approximately 3,600 U.S. hospitals and 120,000 other providers to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and advisory and other services, Premier enables better care and outcomes at a lower cost. Premier, a Malcolm Baldrige National Quality Award recipient, plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare. Please visit Premier’s news and investor sites on www.premierinc.com; as well as Twitter, Facebook, LinkedIn, YouTube, Instagram and Premier’s blog for more information about the company.


Source: Premier, Inc.

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