



# Memo

To: Oakland Southfield Primary Care Physician

From: Jenifer Hughes

Date: June 10, 2010

Re: Accountable Care Organization

---

The purpose of this communication is to respond to the flurry of Accountable Care Organization (ACO) communications circulating and explain Oakland Southfield Physicians' (OSP) unique role in advocating for the independent primary care physician in this emerging health care delivery model.

What is an Accountable Care Organization (ACO)?

The term ACO emerged from analyses conducted by the Medicare Payment Advisory Commission (MedPAC) which found that patients cared for by particular physician groups (i.e. OSP) tended to cluster at particular hospitals; suggesting that physicians, in conjunctions with hospitals, could be held accountable for total spending and quality of care for their patients (i.e. OSP's long-standing successful BCN risk model).

What is an Organized System of Care (OSC)?

Blue Cross Blue Shield of Michigan (BCBSM) has elected to use the term OSC, allowing more flexibility for state-wide communities of caregivers to organize systems to catalyze change. Like ACO, the BCBSM OSC is anchored around accountability and responsibility for care with the understanding that health care is local and one size does not fit all.

Will OSP be part of an ACO or OSC model?

YES! Jerome Frankel, DO (Oakland Southfield Physicians' Medical Director) is a member of the BCBSM small intensive workgroup charged with crafting their model for OSC implementation and roll-out in Michigan. In addition, Dr. Frankel is an active member of our regional Charter Value Exchange (CVE) community working with national health policy decision makers in Washington DC.

What should an OSP primary care physician do now?

Foundational to the ACO/OSC model is the patient-centered medical home (PCMH). Recognized primary care PCMH offices will be the basis for primary care physician involvement in this delivery system. I encourage you to consider working with OSP on either the BCBSM PCMH designation or the NCQA PCMH recognition program.

Do not feel pressured to sign-up for an ACO/OSC since so much is still uncertain; but stay involved and informed. Later this summer, OSP will host regional sessions to update our physician network; however please contact our administrative office at 248.357.4048 if you have any questions or concerns.

Remember that, at a minimum, an ACO/OSC must be able to:

- ✓ Manage full continuum of care for a defined population
- ✓ Administer financial-risk for providers
- ✓ Demonstrate the Patient Centered Medical Home (PCMH) model

Ultimately, OSP successfully performs on all criterions above. I am confident that with the strong management support from Administrative Network Inc, and its strong IPA leadership, Oakland Southfield Physicians is well positioned for **success**.