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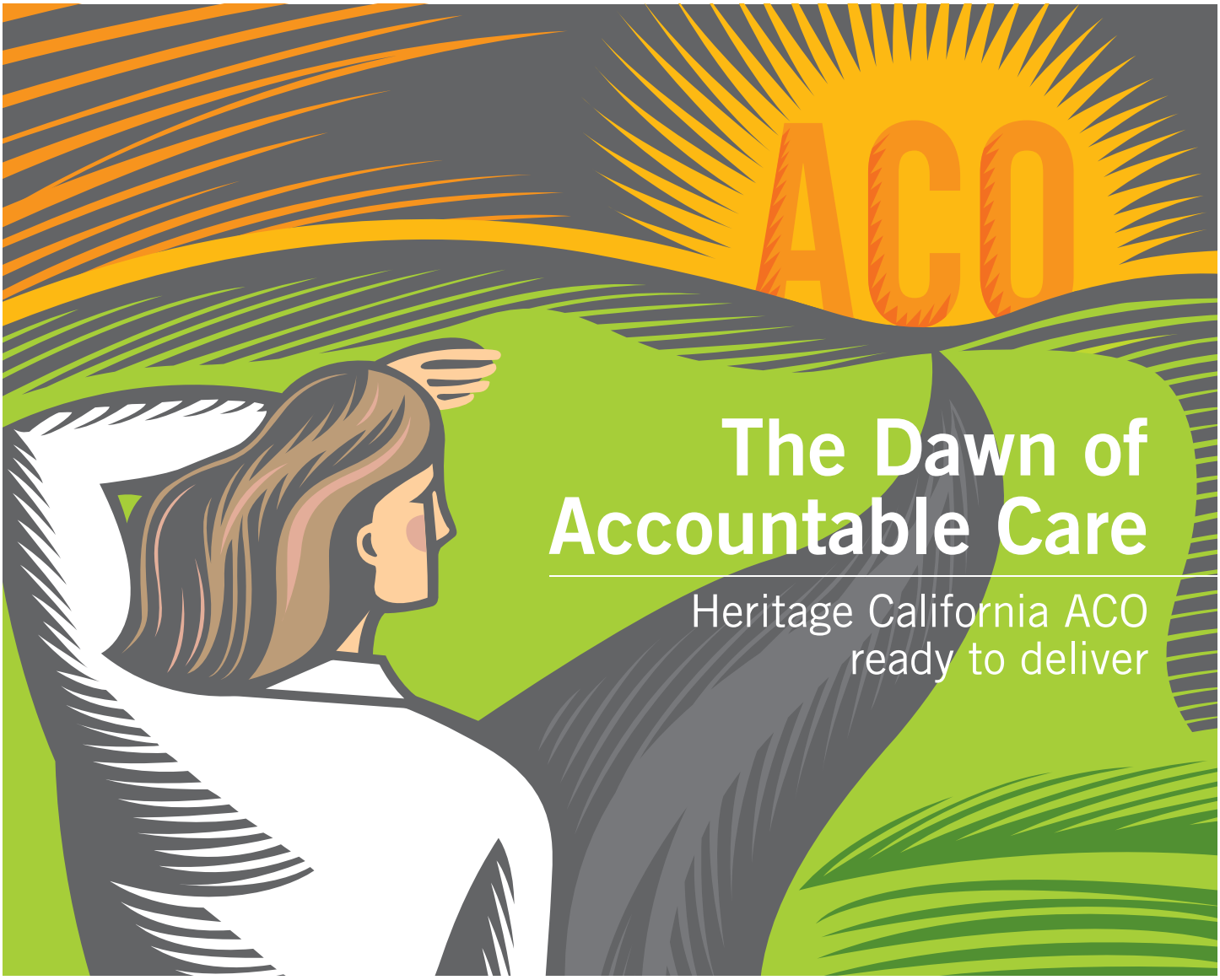

The Dawn of Accountable Care

Heritage California ACO ready to deliver

LATEST NEWS

Dr. Richard Merkin makes generous donation to the Brookings Institution.

The donation will support two full-time scholars who will study ways to reform the healthcare payment system and promote clinical leadership. *Continued*...P5

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EDITORIAL

Heritage Provider Network's selection to participate in the Pioneer Accountable Care Organization Model sponsored by the Centers for Medicare and Medicaid Services (CMS) Innovation Center is truly a testament to our reputation as an innovative and forward-thinking healthcare organization. For more than 30 years, we at HPN have encouraged and supported an accountable care model of healthcare – a model predicated on providing the highest quality care, improving the health of our members and lowering the cost of their healthcare. The ACO Model is simply a continuation of these practices.

As one of only 30 medical groups in the nation chosen to participate in this test program, we find ourselves in the position of modern day explorers. Think of us as Lewis and Clark. We have an opportunity to blaze a trail for others and provide a vision for the rest of the country.

I am excited by the possibilities this opportunity affords us. Through the ACO, we can improve access to care, advance health outcomes and reduce costs. Our success will allow us to transform the healthcare system. I hope you share in our excitement and I invite you to join us on this remarkable journey.

Richard Merkin, M.D.
President and CEO of HPN

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FEATURED STORY

The **Dawn of Accountable Care**

Heritage California ACO ready to deliver.

What is an ACO?

An Accountable Care Organization, or ACO, is comprised of a healthcare organization and an associated set of providers such as primary care providers, specialists and hospitals, who agree to be held accountable for the cost and quality of care delivered to a defined patient population. The overall goal of an ACO is to improve quality of care and service through coordination of care across the entire continuum, to reduce costs through enhanced preventative care and disease management, and to develop the necessary skills and resources to meet established cost and quality healthcare goals. All participants within the ACO must be prepared to work toward shared responsibility for the cost and quality of service that they are providing and to meet the related targets and goals.

The ACO is allocated a set amount of funding for each individual it serves. The allocated amount is then measured against the amount actually spent by CMS on the individual's care during the calendar year. When providers within the ACO work closely together to share patient information electronically in real-time, the coordinated care engine will run more efficiently. Duplicate and unnecessary tests and procedures will be eliminated as will duplicate requests for medical records and history. These process improvements and overall patient health improvement will translate to savings that would then be shared amongst those participants in the ACO who achieved the established quality and cost targets.

"The overall goal of an ACO is to improve quality of care and service through coordination of care across the entire continuum and to reduce costs through enhanced preventative care and disease management."

What is the Pioneer ACO Model?

The overarching imperative in healthcare today is to improve efficiency, effectiveness, and quality of care and service while somehow also controlling costs. To help meet this challenge, the Centers for Medicare and Medicaid Services (CMS) Innovation Center developed the Pioneer ACO Model. To participate in this initiative, CMS considered only those organizations with demonstrated experience operating in a coordinated care environment, one which has proven to provide high quality at a lower cost. CMS selected Heritage Provider Network to be one of only 30 Pioneer ACOs in the country in recognition of our long standing success with developing and managing coordinated care models. HPN will be participating in the program under the name Heritage California ACO.

The Pioneer ACO Model pilot program will last three years, beginning January 1, 2012. During the first two years of the program, shared savings/shared losses are monitored and compared against benchmarks set for the Pioneer ACO by CMS. In the third year of the program, those Pioneer ACOs that have shown savings the first two years will be eligible to move to a population-based payment model. This model is a prospective per-beneficiary per month payment amount intended to replace some of the ACO's previous fee-for-service payments. For those ACOs that prove successful, CMS then has the option of extending the program for an additional two years.

Healthcare generally is at the beginning of a similar paradigm shift from a fee-for-service volume driven model to a more streamlined value model. Selection as a Pioneer ACO presents an invaluable opportunity to HPN and all participating providers to be on the leading edge of this inevitable restructuring and reform. We strongly encourage you to join us at the beginning of this journey.

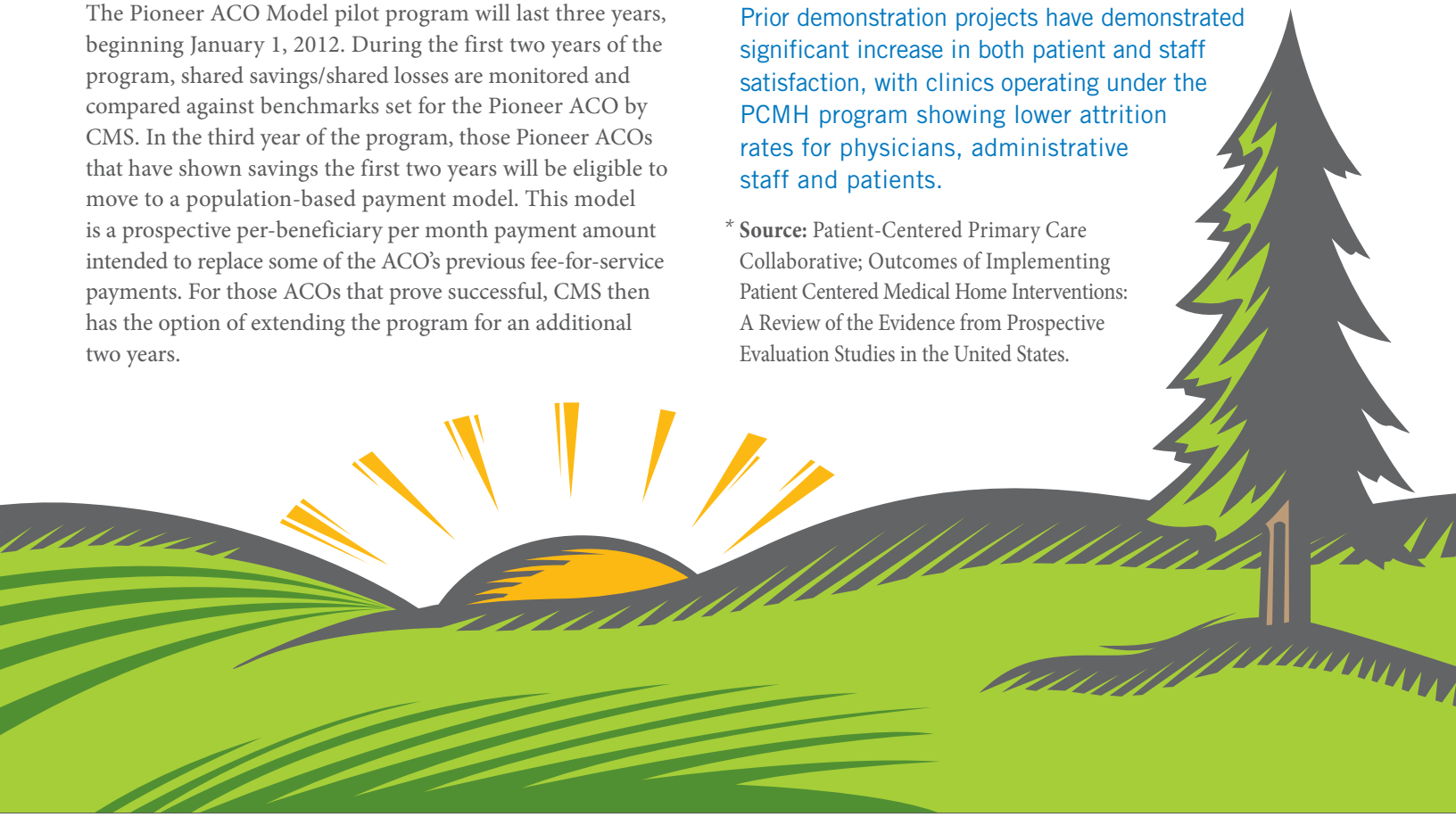
Improved outcomes for patients under the ACO Model.
*Inside the Numbers:**

24% Reduced hospital visits *vs.* the control group.

36% Reduced inpatient hospital days *vs.* the control group

Prior demonstration projects have demonstrated significant increase in both patient and staff satisfaction, with clinics operating under the PCMH program showing lower attrition rates for physicians, administrative staff and patients.

* **Source:** Patient-Centered Primary Care Collaborative; Outcomes of Implementing Patient Centered Medical Home Interventions: A Review of the Evidence from Prospective Evaluation Studies in the United States.



How the Model Enhances **Provider Experience**

The Pioneer ACO Model recognizes the value of primary care, and the critical role primary care physicians will play in attaining quality and cost targets. Given that patients are assigned to ACOs based on their primary care providers, primary care physicians with a strong history of providing quality care while controlling costs will be in high demand. As such, providers who choose to participate in this early ACO pilot program will have a distinct, long-term advantage over those who do not.

Heritage California ACO (HCACO) has structured its pioneer program to be very favorable for participating primary care providers. Some specific benefits that providers within the Heritage California ACO can expect:

- Providers' fee-for-service reimbursement will continue unchanged.
- When the ACO achieves cost savings, those savings will be shared with qualifying providers as additional income.
- Increased efficiencies under the ACO Model will free time for providers to devote to expanding other areas of their practice and increasing revenue.
- Providers will have the benefit of open and transparent communications across all levels of the care continuum.
- Providers will benefit from the use of established condition management protocols allowing them to better serve an expanded patient population by working smarter, not harder.

In addition to the benefits listed above, early adopters of some key ACO strategies have reported other, less expected benefits. For example, early adopters consistently report improved administrative efficiency within their practices, with happier, more dedicated staff, greater patient satisfaction and decreased employee and patient turnover.

How the Model Enhances **Patient Experience**

Patients experience many challenges and frustrations when navigating the healthcare system. By necessity they have multiple doctors, inevitably leading to disconnected care, lost or incomplete medical charts, duplicated tests or medical procedures, repetitive medical forms and difficulty getting one physician's office to communicate with another. The primary goal of the HCACO is to provide the patient with better healthcare and to relieve the patient of their frustrations with the current system. While HCACO will provide an improved patient experience, the patient will not lose the freedom to obtain care where they wish.

By improving the coordination of care, an ACO allows for more collaboration between patients and all their doctors. This coordination of care is not the same as managed care. Patients will have the peace of mind knowing that their care is in capable, informed hands while also having greater control and understanding of the process.

Patients/Beneficiaries will not actually enroll in an ACO. If the patient's primary care provider decides to participate in the ACO, the patient will automatically receive the benefits of the ACO. Since patient participation in the ACO is automatic once their providers sign on, they cannot opt out of being under the care of the ACO.

Patient Benefits at a Glance:

- No change in cost, coverage or choice from the patient's current Medicare benefits.
- Fewer forms, requests for repetitive information and duplicate tests or re-tests for lost information or results.
- Greater continuity of care and awareness with more direct follow-ups and personal attention after certain diagnoses and procedures.

- Central information means better informed physicians and hospitals, which means higher quality care for the patients.
- Provides the best of both worlds – can still self-refer, but now have the opportunity to work more closely with their chosen primary caregiver and a care management team. This allows participants to make smarter, more informed decisions leading to better outcomes.
- Patients now have access to expert coordinated care resources, and to programs that were once only available to managed care patients. Statistics show that participants in coordinated care programs enjoy better health, greater autonomy and fewer hospital admissions than patients who do not participate in coordinated care programs.

The Pioneer ACO Model is an affirmation of the way in which HPN provides care and is a necessary first step toward a sustainable health care delivery system model that will mutually benefit healthcare providers, physicians and patients.

The program is structured to be extremely advantageous for participating physicians and patients. We look forward to you joining us as we step into the future.

Special thanks to Len Fromer, MD, FAAFP, Executive Medical Director of Group Practice Forum / www.gpf.md

Got Questions? We can help answer questions about the Pioneer ACO Model.

Heritage California ACO
Call: 1.800.930.1542 or visit: www.HeritageCaliforniaACO.com

Center for Medicare and Medicaid Innovation (CMS)
Call: 1.800.633.4227, TTY users call 1.877.486.2048
Visit: www.innovations.cms.gov/initiatives/aco

Richard Merkin, M.D. makes generous donation to the **Brookings Institution**

Dedication to bettering healthcare through innovation is one of the core tenets that differentiate the Heritage Provider Network. Just as we provide better care by managing treatment from a whole-health approach, we also believe that improving healthcare delivery requires a whole-system approach: one focused not only on properly guiding medical treatment, but also on transforming business models and payment systems.

Recently our founder, Dr. Richard Merkin, reaffirmed this commitment through a generous donation to the Brookings Institution, an organization whose philosophies on healthcare transformation closely mirror our own. This gift will fund the Dr. Richard Merkin Initiative on Payment Reform and Clinical Leadership at the Engelberg Center for Health Care Reform at Brookings. The donation will support two full-time scholars who will study ways to reform the healthcare payment system and increase clinician leadership.

Explaining the initiative, Dr. Merkin said, *"I have dedicated my life to transforming our healthcare system. During that time, I have found that there are many ways to help physicians improve patient care. Today's challenges, however, require looking at how we can deliver and pay for healthcare in an entirely new and different way."*

Dr. Merkin continued, addressing the need for payment reform; *"The current payment system has created a host of problems, from a shortage of primary care physicians, to the creation of incentives that in the long run do not benefit patients. I believe it is critical to address both clinical leadership and payment reform together, as only in that manner will we be able to achieve truly transformative change."*

Dr. Merkin's vision and generosity will enable scholars to approach healthcare and the mechanics of payment as a behavioral economics problem, inspiring the innovation required to ensure the reform and longevity of our healthcare system.

BROOKINGS

Improving Patient Care in 2012

Bettering lives in the communities we serve

Desert Oasis Health Care (DOHC)
HEDIS/5 Star Expansion in 2012

Throughout 2012, Desert Oasis Healthcare looks forward to building upon our successful 2011 implementation of HEDIS/5 Star service improvement measures. During the next year, the program will focus on several key initiatives and will involve direct outreach designed to guide and motivate physician and member participation.

Physician outreach will begin early in the year with a few regional meetings designed to re-orient our PCPs with the program. PCP engagement will continue throughout the year in the form of regular communications to every physician, notifying them of progress and outstanding opportunities for each of their eligible patients. Communication efforts will emphasize some of the more specific and time-sensitive guidelines such as:

- Proper use of RA diagnoses and need for DMARD usage.
- Time element related to Osteoporosis Management.
- New measures introduced for 2012, like Smoking Cessation and BMI as well as Medication Adherence Guidelines for Diabetes, Cholesterol and HTN.

As we coordinate testing and care through our physician network, we will also be reaching out directly to each member. Through a combination of customized mailings, phone outreach, scheduling assistance and member feedback programs, we will work directly with our members to ensure they are receiving all recommended exams, immunizations and indicated treatment.

The guidelines established by the HEDIS/5 Star represent an ideal opportunity to build upon the excellent care and service standards already in place at DOHC. We look forward to a successful implementation, and the subsequent improvement and benefits to our physicians and members.

Desert Oasis Health Care
275 N. El Cielo Road, Palm Springs, CA 92262
Phone 760.320. 5134 or 800.500.5215 | www.mydohc.com

Heritage Victor Valley Medical Group (HVVMG)
Senior Wellness Center, Apple Valley California

During the upcoming year, Heritage Victor Valley Medical Group looks forward to building on the success of our Senior Center programs. Opened in November 2010 in Apple Valley, California, the HVVMG Senior Center focuses on improving overall health and wellbeing for senior members by providing comprehensive health evaluations; supplementing the excellent care offered through our network of providers. Since its inception we have served over 200 seniors in our service area, collaborating with our extensive list of providers and enabling our members to live the best lives possible.

When visiting our Senior Center, members are greeted warmly by our Heritage Senior Wellness Team, and are treated with the highest regards to their unique health needs throughout their visit. Our members are important to us and the team takes a personal approach to serving them and our wider community. Feedback has been overwhelmingly grateful and positive, with members sending comments such as *"I liked the warmth, friendliness and respect given to me,"* and, *"I really was pleased at the amount of time spent, and that a full physical exam was provided"*.

The Heritage Senior Wellness Team consists of our Physician Ambassador and Medical Director Mohinder Ahluwalia, MD; our physician champions, Beverly Nester, MD, a 20 year Heritage veteran, and Mohammad Ghatali, MD, a new and innovative addition to the team. Rounding out our caregiver team, Judy Latner, FNP-C, is dedicated to hospital visitations and home visits with our patients. Judy adds a personal approach to patient care by visiting members in their homes.

Last, but not least, we owe the success of our Senior Center programs to the participation and support of our network of Heritage Providers. We are looking forward to continued collaboration, and an even greater success in year 2012!

Heritage Victor Valley Medical Group
12370 Hesperia Road, Suite 6, Victorville, CA 92395
Phone 760.245.4747 | www.hvvmg.com

High Desert Medical Group (HDMG)
Expanded Patient Services and Community Outreach Programs

In 2012, HDMG's Associate Medical Director, Dr. Don Parazo, plans on expanding the Chronic Disease Self-Management Program (CDSMP), an innovative Stanford University curriculum he introduced to the Antelope Valley last year. The free public program is offered to anyone who suffers from a chronic disease, as well as their caregivers, teaching them how to live healthier and more fulfilling lives.

Teaming up with the City of Lancaster and the Antelope Valley Partners for Health, HDMG adopted a neighborhood Wellness Home. The Wellness Home offers health sessions on such subjects as diabetes management, children's fitness; and classes on cancer care and obesity. This is part of a larger effort to help make the city a better place to live.

This year, HDMG continues to offer fresh perspectives and sound solutions to healthcare challenges. With the expansion of our new Senior Wellness Center, seniors will enjoy expanded activities in a larger facility.

HDMG has already implemented "Your Doctor Connection", a NextMD electronic communications portal. Among the many benefits; patients can schedule appointments, request medical records and prescriptions, as well as communicate with their providers. This year, HDMG will also implement a Pharmacy Hotline that will give patients peace of mind through access to a pharmacist who will answer questions about their medications.

As the area's most respected multi-specialty medical group, HDMG has instituted cutting-edge programs, expanded public partnerships and established new outreach services with the goal of providing the best in healthcare for life, now and in the coming year.

High Desert Medical Group
43779 N. 15th Street W. Lancaster, CA 93534
Phone 661.951.3050 | www.hdmg.net

Sierra Medical Group
Customizing Health Education Program

We at Sierra Medical Group believe that health literacy greatly affects our members' safety and quality of life. Due to the enormity of the available materials and different requirements of our members, we've adopted a new focused, prescriptive approach to member education. In 2012 we will continue bringing this focused education to our members through our Custom Health Education Program.

Our program differs from a traditional patient education in a variety of significant ways:

- A physician will design a customized education program for each individual member based upon their condition and unique social conditions rather than taking a one class/session fits all approach.
- Knowledge is communicated through engaging videos (actual demonstrations, medical procedures, storytelling and testimonials), boosting comprehension and retention. This also enables members and caregivers to select a convenient time and place to educate themselves.
- Relevant educational material is attached to reminder letters sent to the patients regarding outstanding Star Measures, emphasizing the significance of these preventive care measures.
- Specifics of the education program are incorporated into the members' Electronic Health Records.

Finally, the program focuses on evidence-based medicine and self-care strategies, rather than personalities or the latest health trends. It provides learning tools that support and encourage patients to become active participants in their own healthcare and to develop healthy lifestyle behaviors.

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