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Conference Abstract

Comparing Accountable Care Organizations in the Public Sector of the US Healthcare System to the Integrated Care System Gesundes Kinzigtal in Germany and Potential Lessons Learned

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#### Abstract

**Introduction:** Different health systems in developed countries face nearly the same kinds of problems – costs are steadily growing and quality of care can vary significantly between different providers. Reason might be poor finan-cial incentives and a lack of coordination between different sectors. A possible solution is seen in systems which are trying to reward value instead of volume and partly shift financial risk to providers.

Policy context and objective: Accountable Care Organizations (ACOs) are a new type of professionally led health care entity in the US healthcare system that shall overcome some of the traditional problems of health care delivery. ACOs are designed to be held accountable for achieving the triple aim of health care for whole populations and to share savings (and risk) with payers [1]. The population based integrated care system (ICS) "Gesundes Kinzigtal" in Germany is a slightly different approach, but is also pursuing the triple aim [2]. The objective is to compare strengths and weaknesses of the different contract models in their attempt to optimize care for regional populations

**Targeted population:** Both models use a population-based approach. In ACOs the population is passively attributed to a regional network by a combination of a prospective estimation and a retrospective basis of assessment of pa-tients treated mainly by participating professionals. In Gesundes Kinzigtal patients enrol actively in the integrated care model, but the basis of assessment of the system is the whole regional population, whether or not treated by partner-ing physicians.

Highlights: According to results of CMS ACOs generated over \$372 million in total program savings for Medicare in the first performance year while improving 30 of 33 quality measures used to evaluate outcome. But only one-quarter were able to reduce spending enough for total shared savings. The ICS Gesundes Kinzigtal reports to be economical-ly successful in the sixth year in a row with a positive contribution margin of €146 per insured person in 2012 while improving 12 of

36 indicators and keeping further 20 measures at the same level. But still this project is the only fully developed ICS of the management company OptiMedis in Germany.

**Transferability:** Comparing the different contract models reveals especially four key elements that can be modified to achieve the triple aim. Firstly potential partners and the organizational structure play an important role. Secondly the payment models and thirdly the internal and external performance measurement are essential. As a fourth point patient engagement is a crucial part of model design.

Conclusions: Comparing the two models – public sector ACOs and the ICS Gesundes Kinzigtal – reveals several strength and weaknesses in both approaches. Examining the organizational structure indicates in both models for instance concerns about market power gained from consolidation and fears that providers shift costs instead of re-ducing them. But it is a point of discussion that not enough partners from health-related sectors are included in the networks. Essential in analysing the payment models is the question how large financial incentives need to be to mo-tivate behavioural changes. Furthermore it can be questioned whether the chosen indicators represent the quality of care adequately. Patient involvement or engagement still seems to be expendable. Models of integrated care have in general the potential to improve quality, efficiency and patient satisfaction at the same time. But an intelligent con-tract design is essential for achieving success and there is no standard blueprint that can be applied to different con-texts or environments.

## **Keywords**

accountable care organization; integrated care; gesundes kinzigtal; payment model; performance measurement; contract design

### References

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## **PowerPoint presentation**

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