



# AFFIRMANT'S FEDERATION ACO EARNS \$7.7 MILLION IN SHARED SAVINGS IN FIRST YEAR

Initiative with Navigant Positions Michigan ACO to Develop the Right Model for Medicare Shared Savings Program Success

*"As we moved toward becoming an ACO, it was critically important to have the right people on our team. Navigant's senior consultants brought exemplary expertise and real-world experience to their work with us. They were true strategic partners in creating the road map for our journey and achieving extraordinary results."*

BILL MAYER, MD, MPH, PRESIDENT AND CEO,  
AFFIRMANT HEALTH PARTNERS

## CHALLENGE

In 2016, six Michigan health systems formed [Affirmant Health Partners](#), a clinically integrated network (CIN), to achieve a vision of a healthy Michigan at an affordable cost.

Affirmant wanted to leverage the clinical expertise of its member health systems — Bronson Healthcare, Covenant HealthCare, Henry Ford Health System, Lakeland Health, MidMichigan Health, and Sparrow Health System — and its 6,000 physicians. To do so, Affirmant would have to establish a sufficient and sustainable source of funding by engaging in mutually beneficial partnerships with private and public payers.

Affirmant needed an effective strategy, a structure that would empower individual and organizational success, and a road map for achieving strong value for a large population.

## SOLUTION

In 2016, Affirmant partnered with Navigant Consulting, Inc. to establish the organizational philosophy for the initiative, develop the right operating model, and define the focus for its first year's clinical, contracting, and IT programs.

Affirmant's leaders knew they wanted to establish health plan partnerships — specifically with Medicare Advantage and commercial health plans — to create a "runway to value." Navigant's extensive experience with accountable care organizations (ACOs) pointed to the value of supplementing this approach through participation in the Medicare Shared Savings Program (MSSP) — especially during the first year of formation of its own ACO, The Federation ACO.

"Initially, our objectives for participating in the MSSP did not include an expectation of earning shared savings," says Bill Mayer, MD, MPH, and president and CEO of Affirmant Health Partners. "Navigant helped us understand there are clear reasons for participating in the MSSP as you pursue a CIN strategy. For one, it provided access to extensive data that substantially informed performance improvement. Second, the large number of traditional Medicare plan patients meant participation in the MSSP would enhance our relevance in the minds of our physicians. Finally, as we transform clinical practice, we anticipated changes would occur for all payers, and we didn't want to leave any value on the table that might be created for traditional Medicare."

The Federation ACO's members include Bronson Healthcare, Covenant HealthCare, Henry Ford Allegiance Health, Lakeland Health, and Sparrow Health. Affirmant's other members, MidMichigan Health and Henry Ford Health System, were already members of other ACOs when The Federation ACO was formed.

The Federation ACO successfully executed participation agreements with more than 200 unique practices representing 4,800 independent and employed physicians after educating them on the benefits and implications of MSSP participation. CMS approved its application for participation as a Track 1 ACO in December 2016.

Affirmant also built capacity for more tightly integrated care coordination by encouraging primary care physicians to participate in Comprehensive Primary Care Plus, a national primary care home model. With support from Navigant,

Affirmant's efforts led to participation from 335 physicians, 2.7 times the number expected.

Other factors that proved instrumental to The Federation ACO's success include:

**Scale.** Because each of Affirmant's member health systems agreed to participate in an ACO, more than 100,000 beneficiaries — including 70,000 MSSP beneficiaries in The Federation ACO — are attributed to Affirmant. The Federation ACO is one of the 12 largest ACOs in the country. "Having that scale enabled us to qualify for the lowest possible threshold for shared savings in the MSSP," Mayer says.

**Affirmant Health Partners' structure.** The six member systems (and seven local chapters) are the heart of Affirmant's operating model. Affirmant Health Partners and The Federation ACO share the same strategy to create a network of physicians willing to demonstrate a high degree of interdependence and cooperation; a program of initiatives to control costs and ensure quality; and an infrastructure that allows physicians to evaluate and modify practice patterns. Leaders from each chapter are elected to serve on Affirmant boards and committees. The committee structure includes:

- Affirmant Board of Managers
- The Federation ACO Board of Managers
- Chapter Operations Committee
- Clinical Transformation Committee
- Finance and Contracting Committee

- Communications and Education Committee
- Information Technology and Business Intelligence Committee

**Robust data.** Access to real-time, actionable intelligence is key to Affirmant's ability to enable clinical transformation in quality and efficiency. Affirmant worked with Henry Ford's data analytics team to create comparative chapter dashboards based on Medicare ACO claims data. Affirmant also implemented a software platform that provides a clear line of sight from the exam room to the boardroom, dramatically enhancing population health and physician decision support capabilities.

**Clinical transformation.** Affirmant and Navigant organized a networkwide focus on improving post-acute care, an area in which significant outcome variation existed between the six chapters. A shared performance improvement process based upon both internal and external best practices was launched to reduce unnecessary post-acute care utilization and subsequent hospital readmissions.

**Quality reporting.** By ensuring access to all health systems' electronic health records, Affirmant successfully reported quality of care for attributed members and received a 100% quality score through the MSSP.

**Communication and awareness.** Affirmant hired a communications director to engage physicians and leaders on what the ACO seeks to achieve and why. Multiple communication vehicles not only increase transparency, but also help build trust.

## RESULTS

### Affirmant's Federation ACO Earns \$7.7 Million in Shared Savings in First Year.

In its first year of MSSP participation (2017), The Federation ACO:

- Generated **\$15.6M in total savings**
- Earned **\$7.7M of savings as shared savings**
- Achieved **100% quality score**
- Received **\$8M in care-coordination fees** through CPC+ program
- Represented **25% of Michigan's discharges** serving 49 counties

