

PPACA and ACOs Q&A

How to successfully navigate and adapt to the regulations of the Patient Protection and Affordable Care Act.





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What is the PPACA?

The **Patient Protection and Affordable Care Act (PPACA)**, was signed into law in 2010. This act is intended to reform the health insurance industry while expanding coverage to more than 30 million Americans.

PPACA offers consumers extensive rights and protections. With the availability of free preventative and routine care as well as equal access to benefits for children with pre-existing conditions, the law will provide many benefits to Americans. Plus, consumers will be able to seek emergency medical care from any hospital, even if it is outside of their network.

Many of the changes associated with PPACA have already taken place since the act was signed, but more changes will happen in 2013, continuing through 2015. The 2013 changes will focus mainly on improving access to preventative healthcare, improving the payments systems, and increasing funding to the Children's Health Insurance Program.

[Click here to learn more about the PPACA.](#)

What are ACOs?

Accountable Care Organizations (ACOs) are designed to ensure all participants involved are responsible for the highest quality patient care possible while simultaneously controlling costs. ACOs are multi-faceted, covering such areas as finance, risk contracting, incentives, care coordination and the effective use of health information technology.

The goal of an ACO is to provide proactive, cost-effective healthcare through the collaboration of providers with shared goals. ACOs that lower the growth of healthcare costs while meeting performance standards will be rewarded by the Medicare Shared Savings Program.

[According to the U.S. Department of Health & Human Services](#), [] as of July 2012 there are 154 ACOs participating in Medicare shared services initiatives. These ACOs care for more than 2.4 million beneficiaries.

[Click here to learn more about ACOs.](#)

Get the answers to some of your most common questions associated with PPACA and ACO.

Q&A for PPACA:

- [Are there new opportunities for cataract surgery providers because of PPACA?](#)
- [What fears might practices have regarding the changes to healthcare?](#)
- [Do the plan design changes required under the Patient Protection and Affordable Care Act \(PPACA\) apply to dental and vision plans?](#)
- [Under the PPACA, exactly how will practices receive payment for services?](#)
- [Are there ways providers can prepare now for the implementation of PPACA?](#)
- [Will the recent election bring further changes to Medicare and Medicaid programs in 2013?](#)

Q&A for ACOs:

- [How Do Providers Participate in an ACO?](#)
- [What Should I Do to Prepare?](#)
- [What are the implications for providers? Will providers with ACO options have distinct advantages?](#)

Are there new opportunities for cataract surgery providers because of PPACA?

While changes are still being felt, as a cataract surgery provider you have the opportunity to reduce costs and to publish your surgeons' surgical and clinical outcomes to enhance your reputation. PPACA may also lead to new opportunities at satellite surgery locations.

What fears might healthcare providers have regarding the changes to healthcare?

Facilities and physicians must focus on quality of care (outcomes), reducing costs, and the coordination of medical services. In the past, doctors and facilities worked largely independently of each other. Now with PPACA and Accountable Care Organizations, everyone must "play together" and provide coordinated services at a reduced costs along with the expectation that the quality of health (patient outcomes) will improve.

Do the plan design changes required under the Patient Protection and Affordable Care Act (PPACA) apply to vision plans?

PPACA has barely covered vision plans, but there is still dispute about how vision plans should participate in the changes that the act would establish in 2014. The mandates for vision care apply only to children's health coverage. According to the PPACA, vision plans would need to bundle this coverage with health insurance.

Under the PPACA, exactly how will practices receive payment for services?

The payment methodology should not change significantly. However the physician payment amount on a per visit or per case basis will. This is due to CMS's continued focus on reducing professional fees paid to physicians, as a means of solving CMS's predicted insolvency. Once CMS reduces these fees, commercial insurance payors will follow.

Are there ways providers can prepare now for the implementation of PPACA?

While some of the changes won't actually happen until later this year or in 2014, there's no time like the present to start planning. Some of the steps you can start to take include:

- Decreasing costs by utilizing the optimum staff size
- Reducing operating room staffing inefficiencies
- Increasing operating room turnover
- Reducing medical supply case costs
- Increasing capital equipment utilization – thus, reducing capital expenditures on a per case basis
- Embracing Surgical and Clinical Outcomes reporting

Will the recent election bring further changes to Medicare and Medicaid programs in 2013?

In June 2012, the Medicaid provisions of the health care law were limited by the Supreme Court in a way that increased the possibility that not all states would participate. The court allowed states to choose between the old version of Medicaid and the new one established by the law.

In budget talks that followed the election, President Obama was elusive about cutbacks in Medicaid. Cutting Medicaid payments to states could reduce the federal deficit, but it could also cripple his efforts to expand his healthcare overhaul.

According to a recent article in [Becker's Hospital Review](#), if Congress and President Obama cannot agree to a national debt reduction deal before the end of the year, sequestration will follow. This means Medicare funding will be cut by 2 percent and hospitals could lose more than \$11 billion in 2013.

How Do Providers Participate in an ACO?

To form a new ACO, a group of providers must apply to The Centers for Medicare & Medicaid Services (CMS) to be accepted into the Shared Savings Program.

According to Section 3022 of the Patient Protection and Affordable Care Act (PPACA), a proposed ACO must:

1. Have a formal legal structure to receive and distribute shared savings;
2. Have a sufficient number of primary care professionals for the number of assigned Medicaid beneficiaries (to be 5,000 at a minimum);
3. Agree to participate in the program for not less than a three-year period;
4. Have sufficient information regarding participating ACO health care professionals as the Secretary of the Department of Health and Human Services (HHS) determines necessary to support beneficiary assignment and for the determination of payments for shared savings;
5. Have a leadership and management structure that includes clinical and administrative systems;
6. Have defined processes to:
 - a. Promote evidenced-based medicine,
 - b. Report the necessary data to evaluate quality and cost measures [this could incorporate requirements of other programs, such as the Physician Quality Reporting Initiative (PQRI), Electronic Prescribing (eRx), and Electronic Health Records (EHR)], and
 - c. Coordinate care;
7. Demonstrate it meets patient-centeredness criteria, as determined by the Secretary of HHS, such as the use of patient and caregiver assessments or the use of individualized care plans.

Healthcare providers are not required to join an ACO, although the CMS provides many incentives to enter one.

What Should I Do to Prepare?

Healthcare providers must focus on outcome-based quality of care, the coordination of medical services, and reducing costs. The focus is on maintaining the health of patients to help avoid costly procedures. Efficient operating structures will help practices stay profitable.

One way to achieve these goals is to outsource cataract surgery equipment. Surgical equipment outsourcing provides all of these advantages. By outsourcing equipment, you no longer are responsible for buying and maintaining your equipment. You will also only have the equipment you need when you need it, and will be provided with expert personnel trained and experienced in the use and upkeep of the particular equipment you outsource.

Health care providers that utilize outsourcing:

- Reduce capital expenditures
- Eliminate supply costs
- Eliminate inventory and spoilage costs
- Eliminate equipment repair and maintenance costs
- Enhance staffing with technical expertise

Outsourcing will help you prepare for joining an ACO and thrive once you are a member of one. By reducing your operating costs and allowing for greater operating room efficiency, equipment outsourcing will increase savings and profits.

What are the implications for providers? Will providers with ACO options have distinct advantages?

Providers with ACO options will enjoy a significant competitive advantage in the field. Physicians will no longer have two practice patterns. It will be essential for practices to operate in a more controlled and cost-effective way to survive these upcoming changes.

Use the following resources to find more information about PPACA and ACOs. The better understanding you have of these changes, the easier you will be able to transition when the time comes.

- Learn how you can start taking steps to prepare for the PPACA changes:
<http://www.vantageoutsourcing.com/vantage/contact-us>
- Take a closer look at the PPACA timeline for 2013:
<http://ppaca.com/index.php?page=hcr-timeline-2013>
- You can learn more about ACOs here:
<http://www.nytimes.com/2012/03/13/health/policy/with-small-picture-approach-acos-gain-in-health-care.html?pagewanted=all>

FOR MORE INFORMATION

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