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Summit Health launches Medicare accountable care organization

Summit Health has established the Summit Health Accountable Care Organization to participate in a Medicare value-based contracting program.

Value-based care models require providers to achieve benchmarked patient health outcomes while reducing utilization, such as hospitalization or emergency room visits. Savings achieved from utilization benchmarks can be shared between payer and provider. In higher-level contracts, where the provider is exposed to downside risk, the provider is penalized for overutilization or poor outcomes.

The Summit Health ACO is participating in the Medicare Shared Savings Program at the enhanced track, which provides for upside and downside risk exposures of 75%. The program took effect Jan. 1 and is estimated to cover 27,000 patients accessing primary, specialty and urgent care in New Jersey, said Dr. Jamie Reedy, chief of population health. The Summit Health ACO is signed to participate in the Medicare program for five years.

The combined organization of Summit Medical Group and CityMD announced the launch of the accountable care organization on Wednesday. The launch was a necessity because the prior value-based contracting program it had participated in, the Next Generation ACO Model, ended in December, Reedy said.

Since 2016 Summit Health had been part of Next Generation, where it had been exposed to upside and downside risk of up to 80%.

Summit had been waiting for a successor program to Next Generation but didn't want to be left out of shared savings while waiting, Reedy said. That program, however, did arrive when the Center for Medicare and Medicaid Innovation last week announced the Accountable Care Organization Realizing Equity, Access and Community Health model.

The program, unlike the Medicare Shared Savings Program, attributes patients more accurately to providers, offers more flexibility and waivers, and provides capitation earlier throughout the year. Summit's leadership and private-equity partners will assess the financial feasibility of applying for REACH by the April 22 deadline, which would provide a start date of Jan. 1, 2023, for Summit Health ACO.

"Just because we already signed a new model for five years [with the Medicare Shared Savings Program] doesn't mean we cannot withdraw from it," Reedy said.

Even with MSSP, Summit is confident its accountable care organization can achieve shared savings in its first year. Given its resources and through sharing best practices with WestMed Medical Group—which

it acquired Jan. 19 and which also participates in the Medicare program, the Summit Health ACO is positioned for favorable outcomes, Reedy said.

The WestMed Medical Group ACO had participated in an upside-only risk track until July 2019, when it transitioned to both upside and downside risks. The organization covers about 14,000 lives through primary, specialty and urgent care, and in 2020 achieved 4.9% in shared savings over the benchmark.

Summit also has the Cascades Healthcare Network ACO in Oregon participating in the Medicare program.

"We're looking forward to the gains we get back to be reinvested in addressing barriers for this high-risk population," Reedy said.

Summit Health was formed from its merger in 2019. The organization has 342 locations, including about 150 CityMD sites. —Shuan Sim