

## Home Is Where the Heart of the ACO Is

### To the Editor:

It is no surprise that most aging seniors wish to stay at home as long as possible. Home visits to the homebound elderly have been shown to reduce hospitalizations, rehospitalizations, and nursing facility placements, while improving patient and caregiver satisfaction.<sup>1,2</sup> As aging seniors make up the lion's share of Medicare costs, it seems evident that Medicare system reforms should be designed around high-quality, low-cost delivery systems that embody where seniors want to be: at home.

The Patient Protection and Affordable Care Act empowers the formation of Accountable Care Organizations (ACOs) as a model for “relationship building” and shared savings incentives between various aspects of care in the often disjointed health care continuum. Although the basis of ACO assignment is supposed to be based on a primary care relationship, in many markets the ACO formation efforts have focused on a “top-down” approach, with short-stay acute-care hospitals as the operational and financial epicenter of most ACOs. Instead, a “bottom-up” approach should be used. Such a method would be designed with the primary care provider, and home-based primary care practitioners, working in collaboration with home health and hospice programs on behalf of many of the most complex and costliest beneficiaries, as the hub of the ACO. Home health agencies, which offer the largest workforce of clinicians who have expertise and infrastructure to support beneficiaries at home, are often relegated to a “vendor” status, if engaged at all in the ACO business operations construct. It makes little sense to have the highest-cost component of the health care continuum serve as the foundation of ACOs. Rather, ACOs should be built from the home, where the highest-cost Medicare beneficiaries want to be, out to higher-cost places of service, including hospitals, nursing facilities, and so forth (Figure 1).

Home-based primary care's potential cost savings to Medicare is currently being investigated by the Independence at Home

demonstration project, thought to be the only cost-neutral program in the Affordable Care Act. Unfortunately, the program's initial scope has been limited to a small sliver of the homebound population who could benefit from this approach. Although more than 200 programs have been engaged by the Centers for Medicare and Medicaid Services (CMS) in the ACO model, fewer than 20 Independence at Home sites have been launched. Still, as the initial 16 programs hope to demonstrate significant cost savings to CMS, the program has a good chance of being considerably broadened to many of the 5% of Medicare beneficiaries who are responsible for approximately 50% of Medicare costs.

The true opportunity we have in Medicare reform is to bring the hub of the hub and spoke in the Medicare system into the home. Home-based primary care in partnership with the broader home care team can be the care management hub that stands ACOs on their heads.

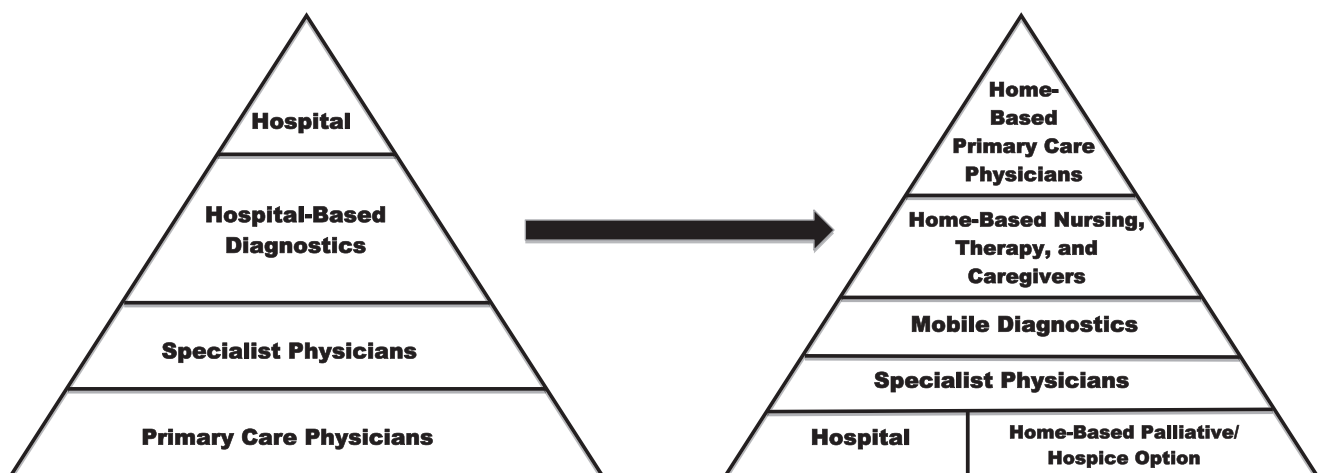
### References

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Structure of present Accountable Care Organizations with high-cost acute-care hospitals and their associated high-cost diagnostics as epicenter.

Proposed ACO structure to focus on high-cost, home-bound Medicare beneficiaries, with home-based primary care physicians as clinical and cost gatekeepers.

**Fig. 1.** Current ACO model and proposed model of home based primary care becoming epicenter of an ACO.