

Arizona Care Network and UnitedHealthcare Collaborate on Impressive Results

Dr. Thomas Biuso has witnessed some impressive turnarounds by Accountable Care Organizations (ACOs) during his 11 years at UnitedHealthcare, but none more so than what he has seen from Arizona Care Network.

“What they have accomplished is noteworthy for two reasons: Arizona Care Network truly transformed from a transactional fee-for-service way of doing business to one that improves the quality of care for an organization,” said Dr. Biuso, senior medical director for UnitedHealthcare, West Region. “And two, it shows how the payer and clinical network can align themselves in a collaborative fashion.”

Arizona Care Network and UnitedHealthcare launched an ACO on May 1, 2014 in an effort to improve care quality and reduce costs for thousands of Phoenix-area residents enrolled in UnitedHealthcare’s employer-sponsored health plans. The collaboration between the two organizations has done just that.

Arizona Care Network includes more than 5,000 clinicians in Maricopa and Pinal counties. In the second year of the ACO, the care providers within Arizona Care Network reduced health care spend by \$3.9 million for UnitedHealthcare members enrolled in employee-sponsored plans by delivering high-quality care and improved outcomes for their patients.

Dr. David Hanekom, CEO of Arizona Care Network, said the improvement in savings is largely the result of both organizations maturing together.

“That first year was really about building an effective relationship between the two organizations,” Dr. Hanekom said. “In my experience it takes 12 months to analyze the utilization and in 12-18 months we start to see the financial savings. The 12-month period is exactly where you should start seeing the impact. As we continue to scale this, we expect to continue to see reduced costs.”

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*~Dr. David Hanekom, CEO,
Arizona Care Network*

In the first two years of the relationship, Arizona Care Network reduced acute hospital admissions by 22 percent while reducing acute hospital bed days by 25 percent for UnitedHealthcare members. Dr. Hanekom credits part of the improved numbers to the analysis UnitedHealthcare provides Arizona Care Network, which includes reports on gaps in care that identify when a patient may have missed an opportunity for getting the care they need and helps physicians close that gap. In addition, UnitedHealthcare provides reports on patients with multiple chronic conditions and monthly claims data. Both organizations also established workgroups – often meeting twice a month – to collaborate on care coordination, quality and closing gaps in care for UnitedHealthcare members while lowering costs.

UnitedHealthcare also provides Arizona Care Network with reports that help the ACO maximize its organizational effectiveness and efficient use of resources. The reports cross reference the UnitedHealthcare Premium Designation program, which provides physician designations based on quality and cost efficiency criteria to help members make more informed and personally appropriate choices for their medical care.

“UnitedHealthcare produces some of the best reports I’ve seen in my career from any payer and our organization has realized that UnitedHealthcare’s analytics division and its reporting is world-class,” Dr. Hanekom said. “The willingness of UnitedHealthcare to share that with us means we can take responsibility for optimizing our organization to meet the needs of our contract as an ACO.”

Dr. Hanekom said the decision by UnitedHealthcare and Arizona Care Network to use information sharing as a strategic tool, rather than as a competitive advantage against each other as provider vs. payer, demonstrated the organizations’ mutual commitment to improve health care for the people in the surrounding communities.

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“The reporting isn’t a small matter. It’s foundational and valuable to us. As a result, we’ve realigned our organization internally and are updating our technology business rules and physician incentives based on this incredibly useful information.”

Dr. Hanekom said he expects to continue to see improved results as both organizations refine their collaboration to improve quality care and lower costs in the Phoenix area.

“What we do and what UnitedHealthcare does through our relationship is we’re recreating a payment, a technology, and a policy environment where our physicians can be successful,” Dr. Hanekom said. “We really believe that putting the information in the hands of the care provider and explaining what we’re trying to achieve will empower our physicians to come up with innovative ways to manage those populations. I think we’re beginning to see that.

“Our goals and our mission are aligned with UnitedHealthcare in our strategic alliance. The closer the collaboration and the more aligned we remain the better results we will see long term.”