

Partners for Kids, Nationwide Children's demonstrate cost savings, quality as pediatric ACO

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A new study published in *Pediatrics* demonstrates the cost-saving and health care quality outcomes of the pediatric Accountable Care Organization (ACO) Partners for Kids. Results of this study indicate that Partners for Kids successfully improved the value of pediatric healthcare over time through cost containment, while maintaining quality of care.

Partners for Kids (PFK) is a pediatric ACO serving approximately 300,000 Medicaid-eligible children in Ohio, designed to address rising costs and concerns about the quality of care delivered to low-income patients. In 1994, Nationwide Children's Hospital partnered with community pediatricians to create PFK, a physician-hospital organization with governance shared equally between Nationwide Children's and physician primary and specialty practice groups. ACOs are responsible for healthcare costs and quality across a defined population. To succeed, the ACO must improve value by reducing costs while either maintaining or improving the quality and outcomes of care.

"We believe this study is the first evaluation of a pediatric ACO. Our data demonstrate the potential for an ACO to minimize the growth in cost of care for a pediatric population, all while maintaining or improving quality of care," says lead author Kelly Kelleher, MD, MPH, vice president of Community Health Services at Nationwide Children's and a member of the faculty at The Ohio State University College of Medicine.

The study assessed the value of care provided by PFK from January 2008 through December 2013. Costs of care were compared to overall reported costs of Medicaid within Ohio. Quality measures were derived from the Agency for Healthcare Research and Quality (AHRQ) Pediatric Quality Indicators, which focus on potentially preventable complications and hospitalizations and provide targets for interventions at both the provider and patient level. Four additional measures targeted specifically by PFK included [neonatal intensive care](#) days; emergency department visits due to asthma; diabetes care management; and 3- to 6-year-old well-child checks.

Results of cost comparisons indicated that PFK had lower cost growth than Medicaid fee-for-service programs and Medicaid managed care plans. From 2008 to 2013, costs per member per month for PFK grew at a rate of \$2.40 per year. Managed care plans grew at a rate of \$6.47 per year and Medicaid fee-for-service costs grew at a rate of \$16.15 per year.

Quality metrics based on AHRQ indicators stayed consistent on most other measures, showed improvement for three measures (including two measures of overall quality of care), and declined on two measures. PFK-specific quality measures showed improvements including fewer NICU days, fewer visits to the ED for asthma and a significant increase in the number of well-child visits. A slight deterioration was seen in diabetes care management.

Overall, the results indicate the PFK model substantially reduced growth in the cost of care compared to other Ohio Medicaid plans. In addition, quality-of-care measures held steady, with some small changes in both directions.

"PFK delivered on the promise of the ACO to reduce the rate of health care cost growth while maintaining or improving the quality of care," Dr.

Kelleher states.

Pediatric ACOs may prove to be efficient models of reforming healthcare, Dr. Kelleher says. The National Committee on Quality Assurance, a non-profit organization dedicated to improving [health care quality](#), is developing an accreditation and measurement proposal for ACOs. PFK will participate in its analysis.

"While an additional 30 million Americans will have access to health coverage under the Patient Protection and Affordable Care Act, the difficult work of creating a system of better care, better health and lower cost will occur gradually, through pilot projects designed to encourage innovation, improve effectiveness and reduce costs," explains study co-author Richard Brill, MD, chief medical officer at Nationwide Children's and a member of the faculty at The Ohio State University College of Medicine. "One of the primary vehicles through which the new law encourages such innovation is through provisions that establish Accountable Care Organizations in Medicare and for pediatrics, in Medicaid or CHIP."

Provided by Nationwide Children's Hospital

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