Academic Medical Centers and ACO’s: Partners in Success or Rivals for Attention in the New Environment?

Stephen K. Jones, FACHE
President and CEO
Robert Wood Johnson Health System
Robert Wood Johnson University Hospital

- 610-bed Academic Medical Center located in New Brunswick, NJ
- Principal Teaching Hospital of UMDNJ-Robert Wood Johnson Medical School
- Flagship Hospital of multi-hospital system
- **Centers of Excellence**: Cardiovascular; Cancer; Women’s & Children’s; Level 1 Trauma Center
- Located mid-way between New York and Philadelphia, serving six county population of approximately 1.4 million
- Shareholder of Managed Care Organization
Role of the Academic Medical Center

- An AMC’s mission is unique – integrating:
  - Clinical care
  - Education
  - Research
  - Community outreach

- Balancing academic mission in a low-cost environment increasingly challenging
Role of the Academic Medical Center

• Academic Medical Centers should be leading the development of ACO’s nationally and...

“Become more engaged in the transformation needed to improve the health of all”

Darrell G. Kirch, MD
President, AAMC
Challenges to ACO Development

• Infrastructure Needs
• Access to Sufficient Supply of Primary Care Physicians
• Disease Management Strategies and Comprehensive Case Management Lacking
• Little Success with Population Health Management
• Fundamental Change in Revenue Streams – paid for Quality not Quantity
New Jersey Experience

• Health Systems Working to Align Themselves to be “ACO-ready”
• Physician Groups Generally Fragmented
  • Few large multi-specialty groups in state
  • PCPs in 1 and 2 person practices
• Insurers Positioning Themselves to Engage and Drive Change
RWJ Strategic Platform For Future

- Leveraging Existing Positive Relationships with Medical School, Affiliated Practice Plan and Private Physicians Across Region
- Enhanced Physician Alignment Strategies
- Development of Accountable Care Organization – RWJ Partners
Available Populations for RWJ Partners

• Employees of the Academic Medical Center
• County Workers
• Labor Unions
• Large Employers – Pharma, Education among others
• Medicaid Enrollees
Business Case for Academic Medical Center ACO’s

- Increases Quality Outcomes for Patients by Coordinating Care (Prevention through Quaternary)
- Manages Costs for Employers
- Economic Engine – Locally and Statewide
- Incorporates Clinical Discovery and Training Next Generation of Caregivers into Business Model