Monarch HealthCare is a multi-specialty independent physician group practice of about 2,500 physicians, including more than 700 primary care physicians, in Southern California. CMS recognized Monarch for its strong track record of offering coordinated, patient-centered care, and for having the experience and capacity to bear financial risk based on its performance, awarding it Pioneer ACO status.
Monarch’s ACO identifies the individuals that benefit from the practice’s disease management programs; these include patients with diabetes, congestive heart failure, chronic obstructive pulmonary disease, or kidney failure. Using Optum’s analytic tools to conduct a risk analysis, Monarch identifies high-risk patients within those chronic condition cohorts. Monarch then determines the appropriate care management models. All models rely on multi-disciplinary care teams with a care navigator, responsible for triaging care needs and scheduling appointments, serving as the primary contact for patients.

Patient engagement occurs:
- During physician office visits, through extensive physician training and scripting
- During or immediately after a hospital admission or other acute event, using notifications of admissions through hospital partnerships
- Immediately following a new diagnosis, through education and counseling

Web-based point-of-care tools allow physicians to review key events and encounters in a patient’s medical history, perform health risk assessments, review lab results and prescriptions, and identify required screenings and gaps in care. Monarch also is working to provide physicians and patients with more information on comparative pricing.

In the first year of the Medicare Pioneer ACO demonstration, Monarch was the top performing of 32 ACOs on three measures of quality: physician communication with the patient, overall patient satisfaction with their physician, and prevention of admissions for ambulatory care sensitive conditions. Monarch’s Pioneer ACO ranked second out of 32 on containing costs. It reduced Medicare spending by 5.4 percent in 2012 from the 2011 baseline for attributed ACO beneficiaries, compared to a 1.1 percent increase for a reference cohort. The cost savings were achieved principally through reductions in hospital admissions, skilled nursing facility utilization, and unit costs.

**Monarch ACO Change in Total Medicare Spending, 2011 to 2012**

<table>
<thead>
<tr>
<th>Monarch ACO Change (2011-2012)</th>
<th>Reference Cohort</th>
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</thead>
<tbody>
<tr>
<td>-5.4%</td>
<td>1.1%</td>
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<tr>
<td><strong>6.5% Difference</strong></td>
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Source: Optum.