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Henry Ford Posts Over \$5.3 Million in Savings with Accountable Care Organization

Model reinforces how coordinated, value-based care can lower costs

DETROIT – The Henry Ford Accountable Care Organization (HFACO) posted over \$5.3 million in savings in 2019 with its participation in the Next Generation Accountable Care Organization (ACO) Model. The HFACO was an inaugural participant in this model since 2016 and has posted savings for four consecutive years (2020 numbers will not be available until 2021). These results underscore the importance of providing care that focuses on greater value and health outcomes to patients.

The savings for 2019 are a 36.6 percent increase from what the HFACO achieved in its first year of participation in the Next Generation ACO Model in 2016, highlighting the financial incentives that can result from coordinating high quality of care at lower costs. Per Next Generation ACO guidelines, Henry Ford will re-invest a portion of its savings in infrastructure, along with care and process improvement initiatives. The remainder of the savings will be shared with the providers and facilities that administer care to HFACO beneficiaries.

The HFACO is comprised of doctors from the Henry Ford Medical Group, six independent providers, as well as Henry Ford hospitals and outpatient facilities. More than 24,000 Medicare patients are aligned to the Next Generation ACO.

“The Henry Ford ACO shows how applying best practices, improving communication between providers, focusing on value and creating better outcomes for patients is both our healthcare industry’s present and future,” said HFACO President and CEO Bruce Muma, MD. “We have gained ground in providing value-based care to our HFACO beneficiaries – and in our other value-based contracts – and will continue to pursue innovative ways to further improve care.”

Under the HFACO, patients have many interventional programs at their disposal to help guide them to the most appropriate and timely outpatient care, often redirecting them from the emergency department. Additionally, through waivers available under Next Generation ACO participation, HFACO beneficiaries have access to telehealth services. Another waiver allows them to be admitted directly to a skilled nursing facility without a mandatory (and costly) three-day hospital stay.

The HFACO is managed by the Henry Ford Physician Network (HFPN), which oversees the administration of five value-based contracts. Henry Ford Health System has established itself as a leader in value-based care, with the HFACO being only one of its current efforts in this type of contract. Henry Ford also participates in direct-to-employer and HAP value-based contracts.

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