

How Watershed Health Fuels ACO Success

The Rise—and Struggle—of the Accountable Care Organization

Over a decade ago, accountable care organizations and clinically integrated networks brought with them a vision of providing high quality care while lowering escalating health care costs. Payers, providers and patients alike were hopeful, but results have been underwhelming. While ACOs are still a strong solution in theory, key challenges have stymied their success in practice.



4 hospital and
60 clinic locations

1.3M+ patient
visits p.a.

948 beds

20K covered lives

37K+ acute
discharges p.a.

\$5M savings
in Year 1

The ACO Achilles Heel: Avoidable Hospital Readmissions

Hospital readmissions are costly in every way. A patient readmitted to the hospital is twice as likely to die over the following two years. Financially, readmissions represent the single largest opportunity for ACOs to reduce both acute and post-acute spend. But to lower these costs, ACOs must choose those post-acute providers that will deliver optimal outcomes for their patients. Unfortunately, existing post-acute ratings systems, including the gold standard metrics created by the Center for Medicare and Medicaid Services, are retrospective, based on historical claims and self-reported data rather than real-time information. More importantly, they do not correlate with an organization's ability to deliver optimal outcomes.



Scott Fenn
Chief Clinical Integration and
Strategy Officer, Infirmary Health

A Clinically Integrated Network in Practice

No one understands these problems better than Scott Fenn, Chief Clinical Integration and Strategy Officer at Infirmary Health. Fenn built his first Clinically Integrated Network at a large health system in Houston, Texas in the early 2000's and built a second at a mid-sized health system in Birmingham, Alabama in 2010. In doing so, he uncovered the challenges associated with determining which organizations were not only willing to align with the network's goals, but also capable of achieving the necessary outcomes to be successful. Scott's team ultimately succeeded, saving \$16.5M over three years— but it was “like herding cats.”

There was no technology solution for Clinically Integrated Networks

Fenn quickly learned that there wasn't a technology solution purpose-built to support building high performing networks. Therefore, when Fenn moved to Infirmiry Health and took on a similar challenge a decade later, he was determined to find a more data-driven and technology-centered approach.

Enter Watershed

Building the ACO for nearly 20,000 covered lives at Infirmiry Health, Fenn was looking for a strategy that would “knock over as many pins as possible.” He remained frustrated by the seemingly unsolvable problem of discerning which post-acute providers would achieve the best outcomes for patients at any given time. He also needed clear data to demonstrate to payers that he had systems in place to lower costs and improve patient outcomes. Finally, he needed a comprehensive platform that would both promote post-acute network communication and data sharing, as well as enforce practice consistency and guideline adherence.

In Watershed, Scott found a platform that did all of the above. Watershed built a proprietary methodology into a world-class, comprehensive post-acute platform to ensure continuous monitoring of performance factors that lead to optimal member outcomes.



Designed by
healthcare workers
for healthcare workers



The Watershed Platform

- Streamlined member referrals and handoffs to top-performing post-acute providers
- Robust inter-provider information exchange functionality that continues beyond transitions of care
- Technology for navigator tracking, documentation and optimization of member care
- Integrated support for promoting member-specific care pathways based on both clinical and social determinants of health
- Real-time alerts and longitudinal patient event records for population health and alignment with CMS Interoperability and Patient Access Rule
- Collaborative quality assurance enablement, leading to continuous improvement

Getting Up and Running

Along with providing the functionality Fenn had been looking for, Watershed proved to be surprisingly simple to implement. The platform is deployed at hospitals within weeks, and with physician groups and post-acute providers in a matter of hours. The process can be completed remotely, and is free of charge for the entire outpatient network. Fenn instantly saw how appreciative the post-acute providers were for a free tool that not only enabled them to perform, but showcased –and awarded business to–those that did. There was a community-wide, positive reaction “because Watershed gave all post-acute providers a chance to earn the ACO’s business, as well as clear direction on how to get it.”

“Better clinical infrastructure and a clear track record using Watershed has enabled our CIN to save approximately \$5M in our first year with payers, and we expect the savings to grow in future years.”

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Results of an Effective Network

By requiring Watershed usage of all participants in Infirmary’s network, as well as making Watershed’s quality metrics a key determinant of ACO inclusion, Fenn’s team can pinpoint which post-acute providers are delivering optimal outcomes at any given time. “As a measurement tool, Watershed creates transparency and accountability, driving improvement in real time.”

A year after implementation, Fenn is particularly pleased with how much more quickly he has been able to extract real cost savings from the system using Watershed, especially as a small CIN with only 95 primary care providers. “Better infrastructure and a clear track record with Watershed has led us to save \$5M in our first year alone. In my experience, that’s excellent – I was expecting \$5M in year 3,” relates Fenn. “There are huge opportunities that come with collaboration and transparency for any risk-bearing organization or network. Watershed is the rocket fuel that makes that collaboration easier.”



Watershed by the Numbers:

80%+ increase in care pathway adherence

750K+ health care provider connections

2M+ messages exchanged per month

80%+ increase in medication reconciliation

1M+ documents shared per month

Help people feel better and live longer.

Learn more at watershedhealth.com or contact sales@watershedhealth.com