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Legislation paves way for accountable care organizations in N.J.

By [Beth Fitzgerald](#)

Health care providers in Camden, Trenton and Newark are expected to launch Medicaid accountable care organizations, or ACOs, early in 2012, following the adoption of legislation that paves the way for these urban health care pilot programs to share in the Medicaid cost savings expected to result from innovative health care delivery models.

Attorney Elizabeth Litten, of Fox Rothschild, worked pro bono to help draft the legislation, signed Friday by Gov. Chris Christie.

"The idea is to get the engagement of everyone at the table" — a diverse collaboration of health care providers, including hospitals, clinics, behavioral health, social workers and homeless advocates "to figure out ways to improve care and save money," Litten said.

She said by passing its own legislation, New Jersey is taking the lead to define "our own version" of Medicaid ACOs to address "what is unique about New Jersey." Medicaid is a state and federally funded program, and the ACOs will have oversight from the federal agency, but New Jersey will be able to design its own programs, which may include "high-utilizer teams" that seek to intervene and provide better primary care to individuals who have been high users of emergency room care.

That is the approach of Dr. Jeffrey Brenner, of Camden's Cooper University Hospital. Brenner plans to create a Medicaid ACO that expands on the work he has done over the past nine years through his Camden Coalition of Healthcare providers. The Greater Newark Health Care Coalition plans an ACO, and a Trenton ACO is being developed as a consortium that includes St. Francis Medical Center and Capital Health.

The Medicaid ACO legislative initiative received major support from the state Chamber of Commerce. Tom Bracken, president of the state chamber, said earlier this year the ACO model "makes a whole lot of sense," since hospitals will "benefit by not being overcrowded with patients who could be better served somewhere else at less cost."