

Nationwide Children’s Hospital

America’s Largest Pediatric Accountable Care Organization

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Nationwide Children’s Hospital, in Columbus, Ohio is a large academic medical center with more than 900,000 patient visits per year and almost 20,000 inpatient admissions. Ranked as one of the ten best children’s hospitals in America by both *U.S. News & World Report* and *Parents Magazine*, it is a tertiary pediatric provider in a 37-county region of Central and Southeastern Ohio. It is also the largest pediatric accountable care organization in America—managing the care of 285,000 at-risk children on Medicaid—a concept that is a central component of the new health care law.

Through a unique capitated arrangement, Partners for Kids—Nationwide Children’s pediatric accountable care organization— is paid a set fee through Medicaid for each of those 285,000 at-risk children across its 37-county coverage area, stretching from urban Columbus to rural Appalachia. Partners for Kids contracts with the three mandated Medicaid managed care plans in the hospital’s service area. While the insurers retain a percentage of the Medicaid premium to provide claims processing, member relations and standard medical management functions, the hospital and its network of partner physicians have the business risk for clinical and financial outcomes.

Partners for Kids is a non-profit organization owned by the hospital, its 350 primary care physicians, and its 410 specialists throughout the service area. The majority of Partners for Kids’ physicians work under a salaried model as hospital or practice partners while the remainder are community practitioners. If Partners for Kids is ineffective in its care coordination, it will lose money. If it is effective—with better safety and better outcomes—it can reduce the shortfall that its providers experience serving the Medicaid population.

It is a partnership that proves that the vision behind accountable care embodied in the new federal health law is one that can improve outcomes and quality while decreasing the long-term costs of health care.

Population	285,000 pediatric Medicaid recipients (75,000 rural Appalachia, 210,000 urban).
Contracting	Risk bearing contract to Physician Hospital Organization (Partners For Kids) for medical, dental, vision, psychiatric from all regional Medicaid MCOs.
Accountability	Shared incentives with MCOs, transparent outcome measures, regional pediatric report card.
Data	Pass through encounter data from MCOs, all specialist and some primary care data from Electronic Health Records (participating in national EHR pediatric pilot program).
Shared savings	Medicaid FFS rates plus incentive payments for non-employed PCPs with increased salaries for Hospital-employed clinicians.
Outcomes	Preterm birth, asthma, diabetes, immunization, health supervision and obesity outcomes with school, community and health department partners.

