Organizational Correlates of Medicare Accountable Care Organization Performance

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Background

ACO Structure

ACOs differ systematically in organizational structure (1), with three types—

Integrated ACOs:
- Mostly large, integrated delivery systems; typically have several hundred providers and offering broad scope of services.

Physician-led ACOs:
- Consist of fewer physicians offering a narrow range of services within the ACO; little prior experience with payment reforms but high levels of physician performance management.

Hybrid ACOs:
- Moderate in size and services offered, led by a hospital or other coalition; Some payment reform experience, little performance management in place.

Hypotheses

1. **Quality:** Integrated ACOs will have higher mean quality scores than Physician-Led and Hybrid ACOs
2. **Financial:** Integrated ACOs will have better financial performance as demonstrated through:
   - Greater likelihood of achieving savings
   - Lower per-beneficiary spending metrics

Research Objective

To determine whether ACO performance on quality and financial metrics differs systematically according to the ACO's organizational attributes. (1)

Study Design & Population

Data Source

- Medicare Shared Savings Program Accountable Care Organizations launched in 2012 or 2013 that also responded to the **National Survey of Accountable Care Organizations** (n=226), conducted by The Dartmouth Institute and Center for Health Organizational and Innovation Research at the University of California, Berkeley
- Public quality and performance data from Medicare Shared Savings Program ACOs (2013-2014) obtained from CMS at data.cms.gov

Independent Variable *based on taxonomy (1)*

- Ownership
- Integrated Delivery System
- Number of Provider FTEs
- Proportion Primary Care
- Number of Organization Types (e.g., Hospital, Skilled Nursing Facility)
- Number of Services Provided
- Phys. Performance Management Index
- Payment Reform Experience
- Controls: Region, Competition

Analysis

- Linear and logistic regressions for all quality and spending dependent variables
- Outcomes calculated by holding all variables at mean of taxonomic group

Conclusions

Quality

There are no meaningful differences between the mean quality measure scores by ACO type and/or organizational structure. ACOs of all organizational types/structures are capable of meeting quality targets.

Savings & Spending

- Physician-led ACOs were more likely than Integrated ACOs to achieve savings despite (or perhaps due to) their higher average spending on physician services.
- Physician-led ACOs had inpatient spending levels that were lower than Integrated ACOs by about $10 to $55 per assignee; the impact of this trend on overall spending is likely exacerbated by the fact that Integrated ACOs have more assignees.
- The methodology for calculating benchmark savings may also affect the Physician-led and Integrated ACOs differently.

Principal Findings

Legend

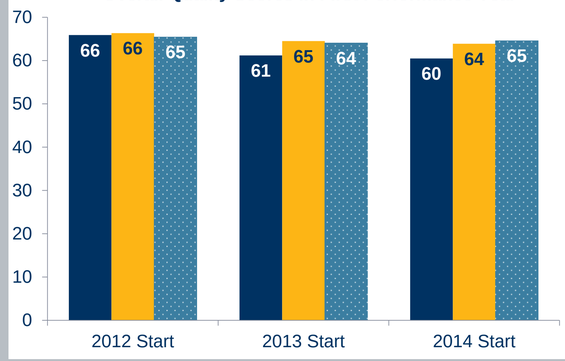
- Physician-Led ACO
- Hybrid ACO
- Integrated ACO

All results statistically significant at p<0.05 unless otherwise noted with (*)

Quality

There are few meaningful differences in quality outcomes by ACO type or start date:

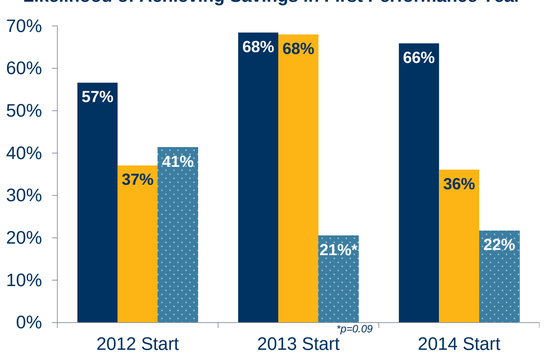
Overall Quality Scores in First Performance Year



Savings

Physician-led ACOs are more likely to achieve savings than Integrated ACOs:

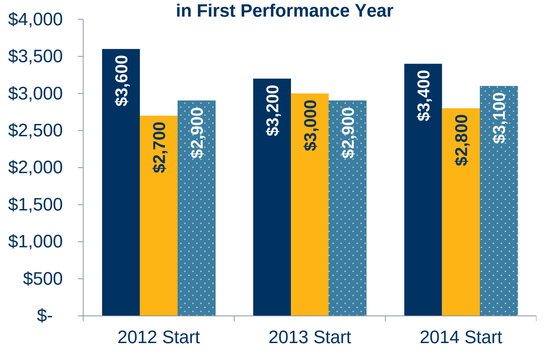
Likelihood of Achieving Savings in First Performance Year



Spending

Physician-led ACOs spend more on physician services compared to Integrated ACOs:

Per-Assignee Spending on Physician Services in First Performance Year



Practice & Policy Implications

ACOs of all organizational types/structures are equally able to achieve quality targets; however, there are differences in observed spending levels. Policymakers and the research community should continue to examine how value based payment initiatives differentially affect each type of ACO. Different ACO types/structures may require different payment adjustments or technical assistance to achieve desired outcomes.

References

(1) Shortell, S. M., Wu, F. M., Lewis, V. A., Colla, C. H., Fisher, E.S. (2014). A Taxonomy of Accountable Care Organizations for Policy and Practice. *Health Services Research*, 49(6): 1883-1899.

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