



Convening + Uniting + Transforming

May webinar

Tuesday, May 24
2:00 to 3:00 p.m. EDT

ACCOUNTABLE CARE ORGANIZATIONS

What the Research Tells Us



60+
Members

From AARP to
URAC



**primary care
collaborative**

Better Health **NOW**

A campaign of  pcc primary care
collaborative

#PCCBetterHealthNow

www.pcpcc.org/betterhealthnow



Host & Moderator

4

primary care
collaborative

MODERATOR



MAI PHAM, MD, MPH

**President and CEO,
Institute for
Exceptional Care**



Panelists



**JONATHAN
GONZALEZ-SMITH,
MPAFF**

**Research Associate,
Duke Margolis Center
for Health Policy**



**DAVID MUHLESTEIN,
PHD, JD**

**Chief Strategy and
Chief Research
Officer, Leavitt
Partners**

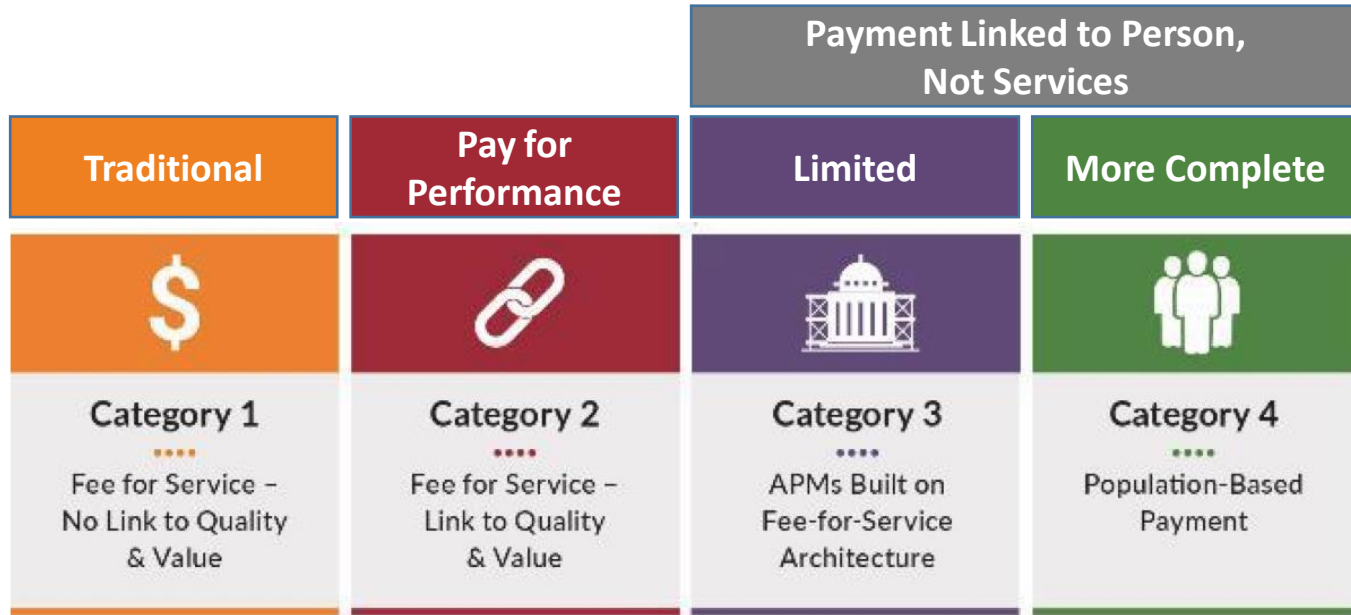
Accountable Care Organizations (ACOs): What the Research Tells Us

Jonathan-Gonzalez Smith, MPAff
Duke-Margolis Center for Health Policy
Primary Care Collaborative

Why ACOs?

- **The Problem:** Fee-for-service does not promote efficiency, quality, care coordination, or equity.
- **The Solution:** Payment models (like ACOs) can remove perverse incentives, encourage efficiency, and provide flexibility for innovation.
- **The Challenge:** Payment reform is hard and care transformation is time and resource intensive.

ACOs are one approach to achieving value



Multiple ACO Programs Implemented by CMS & CMMI

Pioneer ACO Model

ACO Investment Model

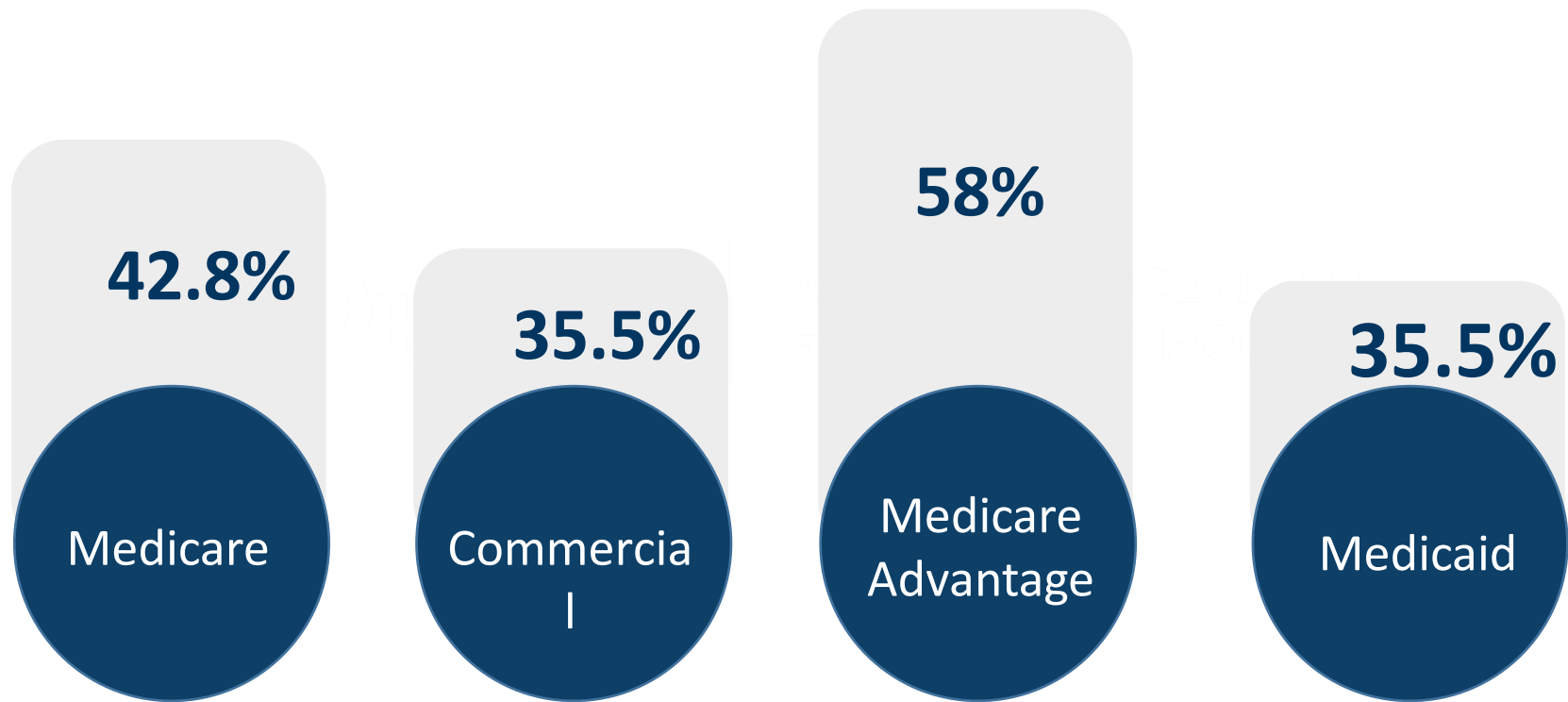
Advance Payment ACO Model

Next Generation ACO Model

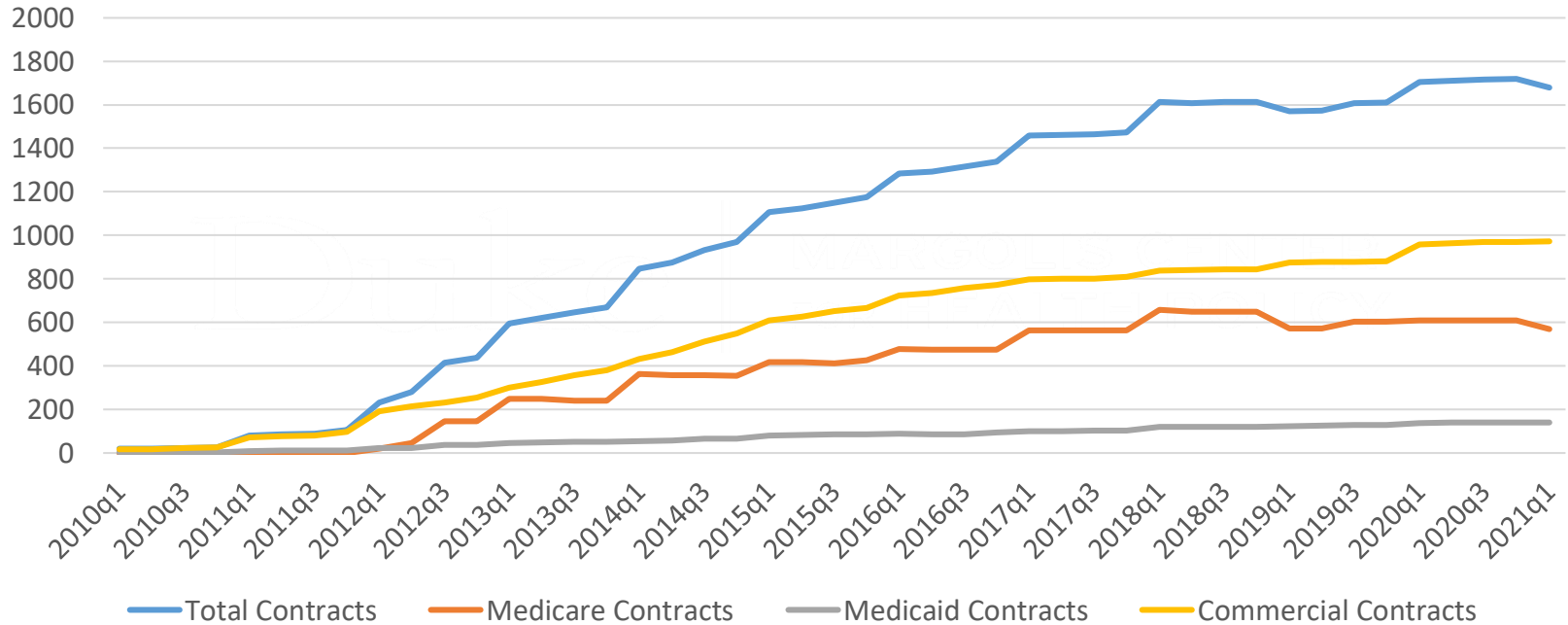
Medicare Shared Savings Program

Direct Contracting > ACO REACH

Rates of Value-Based Payment Models for All Payers



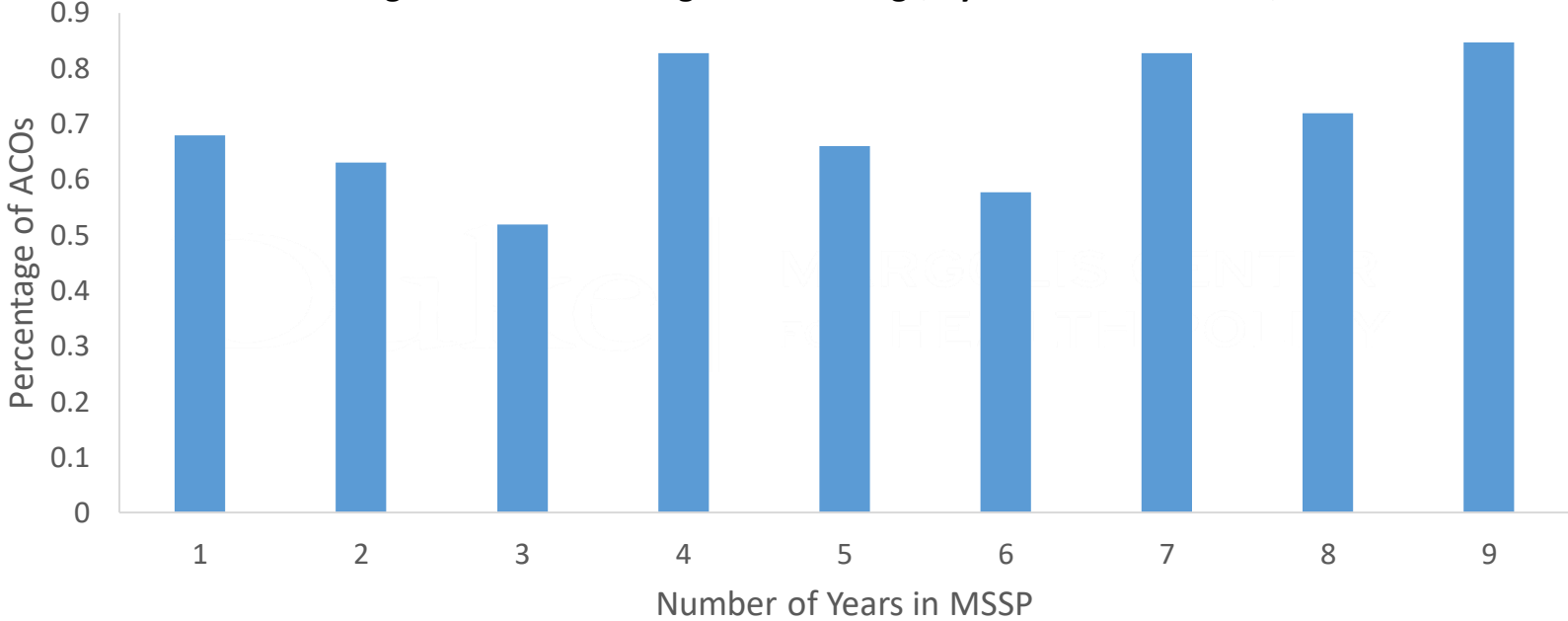
...But momentum has also slowed



Source: "All-Payer Spread Of ACOs And Value-Based Payment Models In 2021: The Crossroads And Future Of Value-Based Care", Health Affairs Blog, June 17, 2021. DOI: 10.1377/hblog20210609.824799

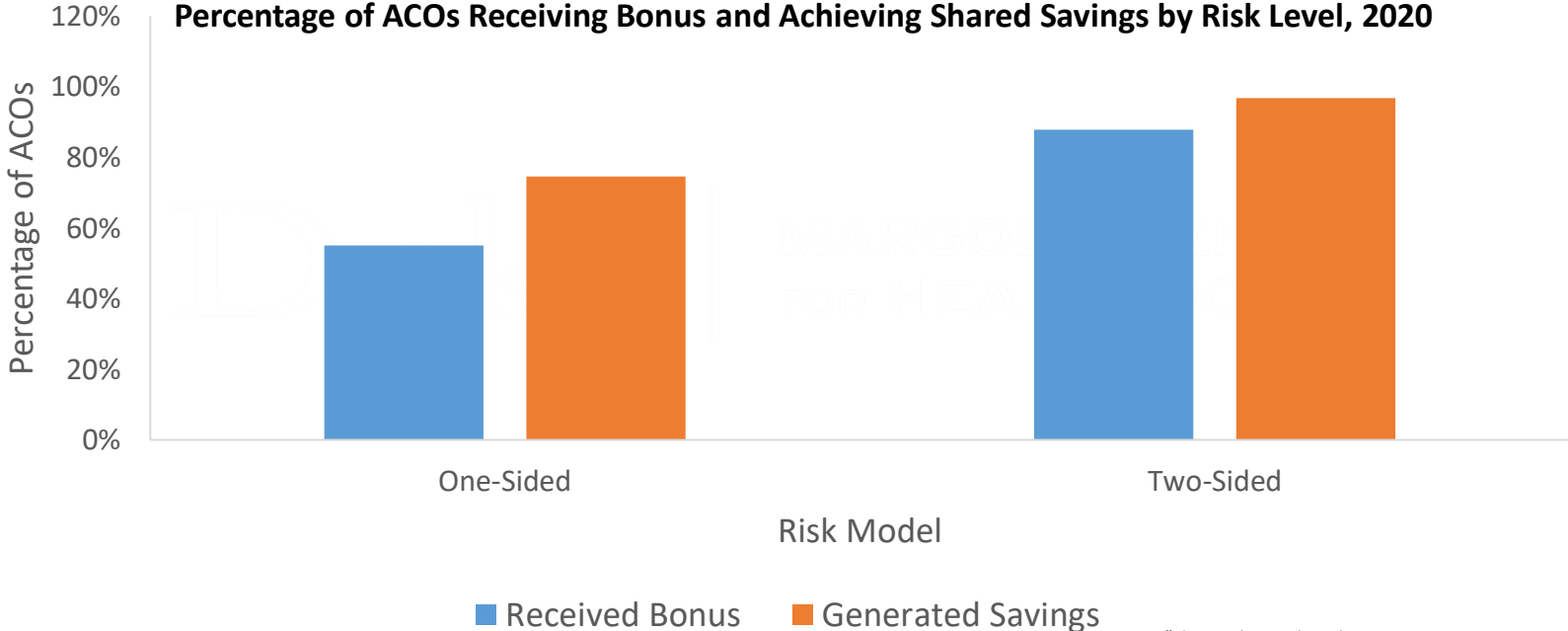
Success takes time

Percentage of ACOs Achieving Shared Savings, by ACO's Time in MSSP, 2020



Source: "The Medicare Shared Savings Program In 2020: Positive Movement (And Uncertainty) During A Pandemic", Health Affairs Blog, October 14, 2021. DOI: 10.1377/hblog20211008.785640

Increase in two-sided risk models



Source: "The Medicare Shared Savings Program In 2020: Positive Movement (And Uncertainty) During A Pandemic", Health Affairs Blog, October 14, 2021. DOI: 10.1377/hblog20211008.785640

Looking ahead: 2022 CMS Strategic Direction



Takeaways

It takes resources, investments, and time to succeed

Small shifts away from FFS to VBP have small impacts

Multi-payer coordination needed

Transparency and predictability enable confidence

Further work needed to engage patients, focusing on improving access and outcomes while lowering costs

Thank You

Contact Us



100 Fuqua Drive, Box 90120, Durham, NC 27708

1201 Pennsylvania Avenue, NW, Suite 500
Washington, DC 20004



healthpolicy.duke.edu



Subscribe to our monthly newsletter at
dukemargolis@duke.edu



Durham office: 919-419-2504
DC office: 202-621-2800

Follow Us



DukeMargolis



@dukemargolis



@dukemargolis



Duke Margolis

Accountable Care Organizations (ACOs): What the Research Tells Us

DAVID MUHLESTEIN

CHIEF STRATEGY & CHIEF RESEARCH OFFICER

@DAVIDMUHLESTEIN 

DAVID.MUHLESTEIN@LEAVITTPARTNERS.COM

May 24, 2022



LEAVITT
PARTNERS

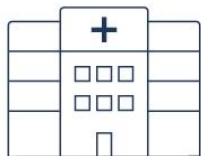
Classification of ACOs



FULL SPECTRUM INTEGRATED

All services are provided directly by the ACO.
May include one or multiple organizations

~15% of ACOs ~27% of Lives



INDEPENDENT HOSPITAL

A single organization that directly provides inpatient care

~11% of ACOs ~9% of Lives



HOSPITAL ALLIANCE

Multiple organizations with at least one that directly provides inpatient care

~12% of ACOs ~11% of Lives



INDEPENDENT PHYSICIAN GROUP

A single organization that directly provides outpatient care

~24% of ACOs ~20% of Lives



PHYSICIAN GROUP ALLIANCE

Multiple organizations that directly provide outpatient care

~16% of ACOs ~9% of Lives

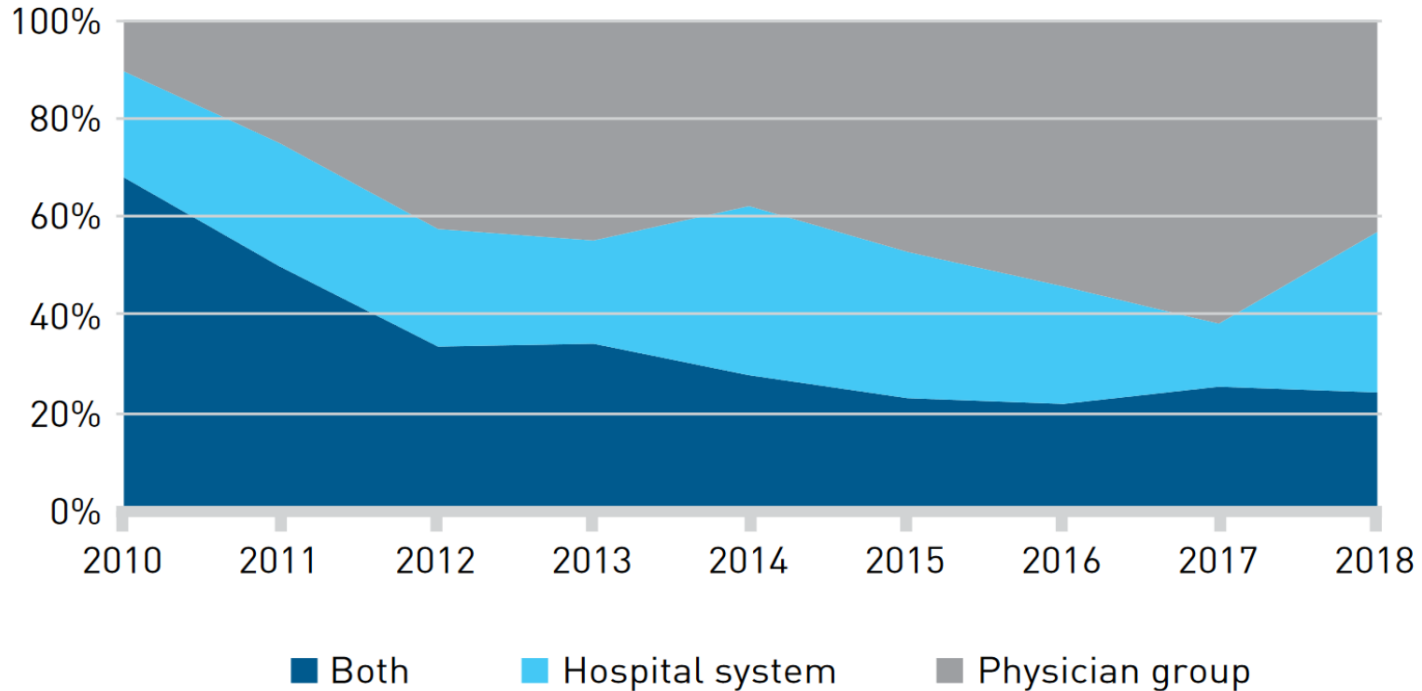


EXPANDED PHYSICIAN GROUP

Directly provides outpatient care and contracts for inpatient care

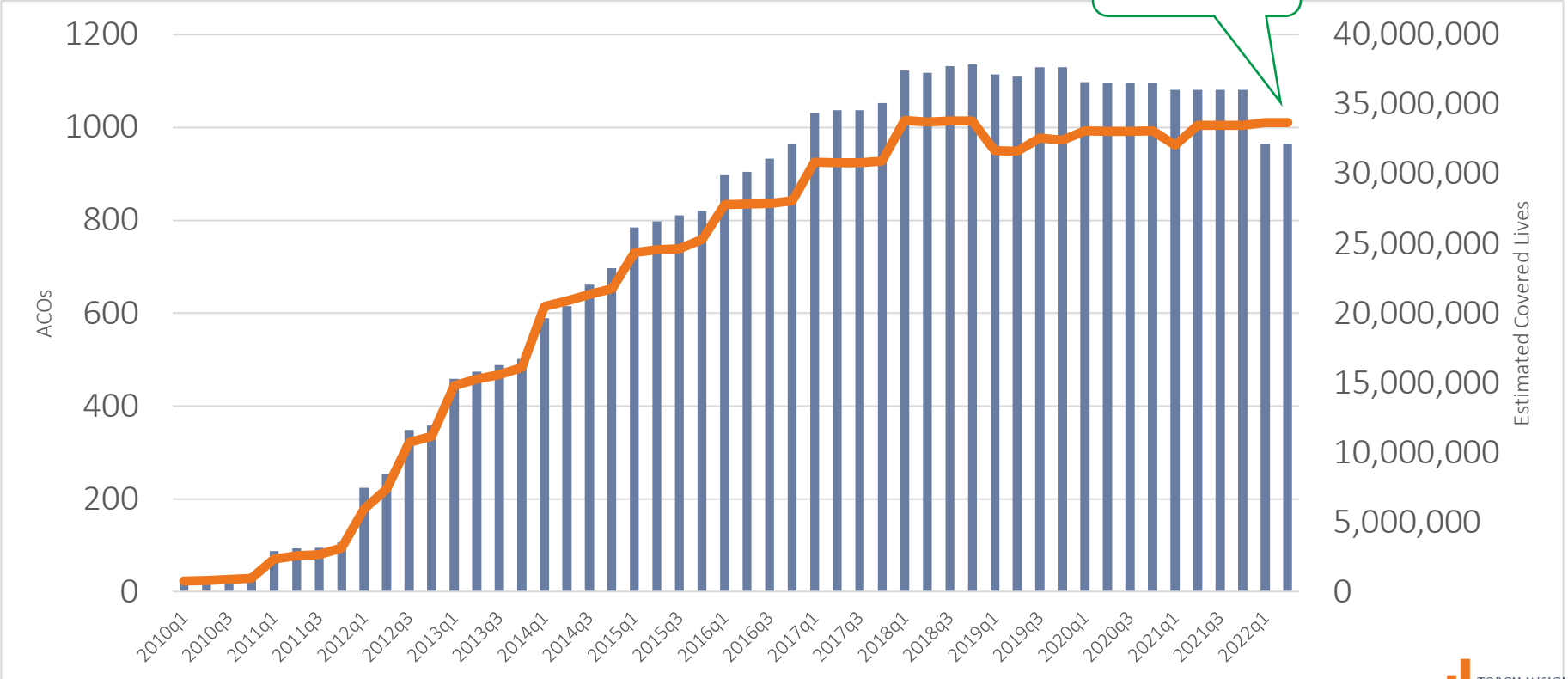
~23% of ACOs ~24% of Lives

Who is Starting ACOs?



*Source: Muhlestein, Tu, Colla, "Accountable Care Organizations Are Increasingly Led by Physician Groups Rather Than Hospital Systems" Am J Manag Care. 2020;26(5):225-228.
<https://doi.org/10.37765/ajmc.2020.43154>*

ACO Growth

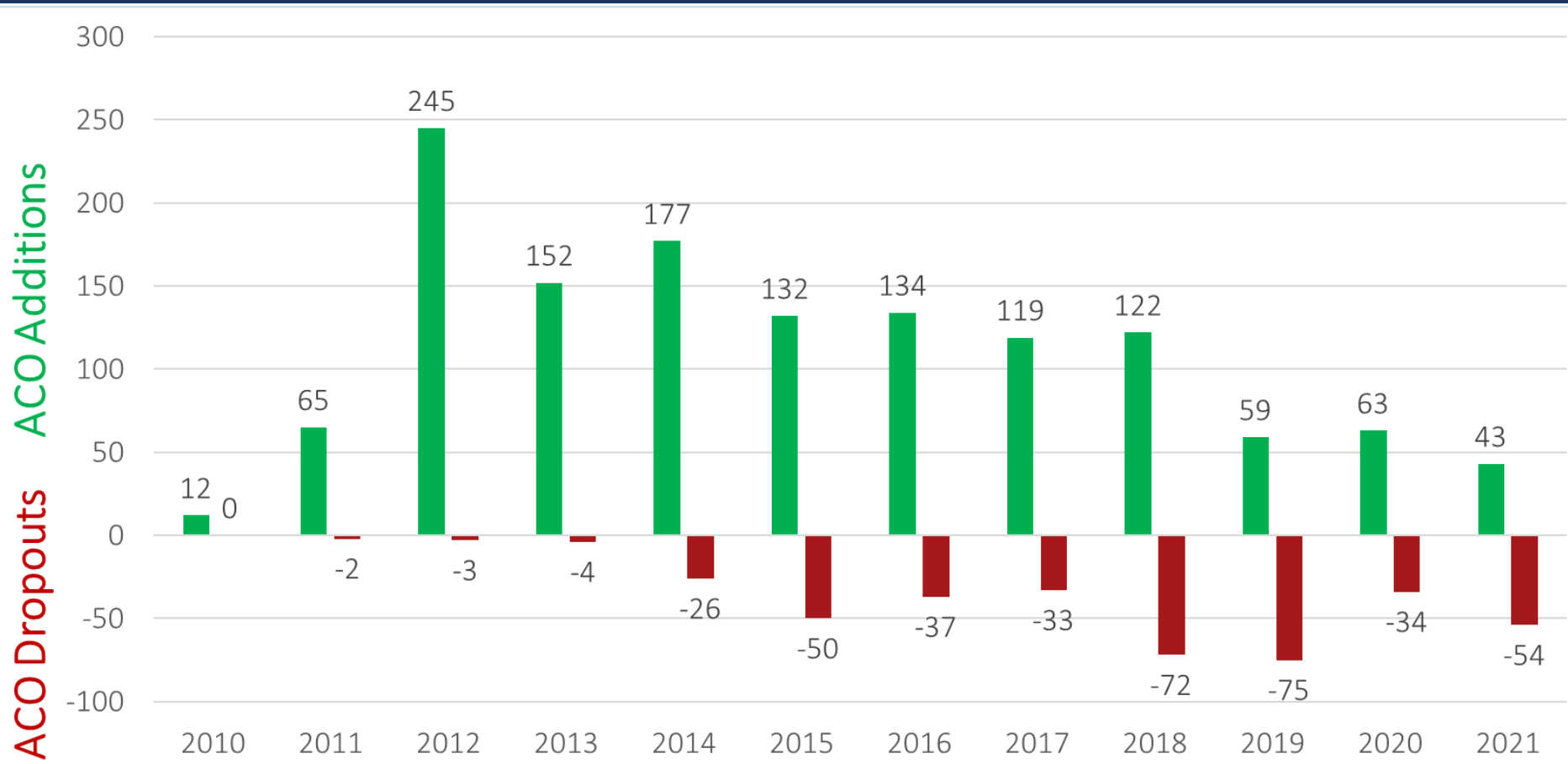


32 Million Lives

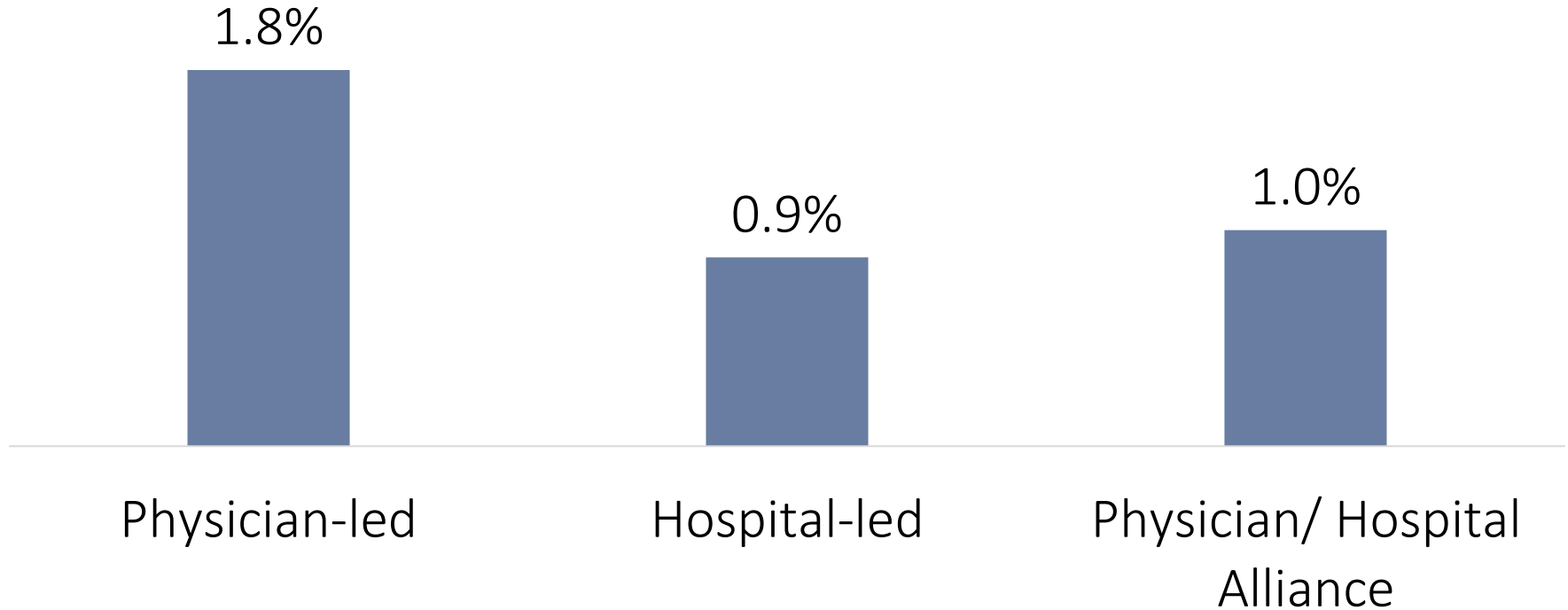
Source: Milliman Torch Insight



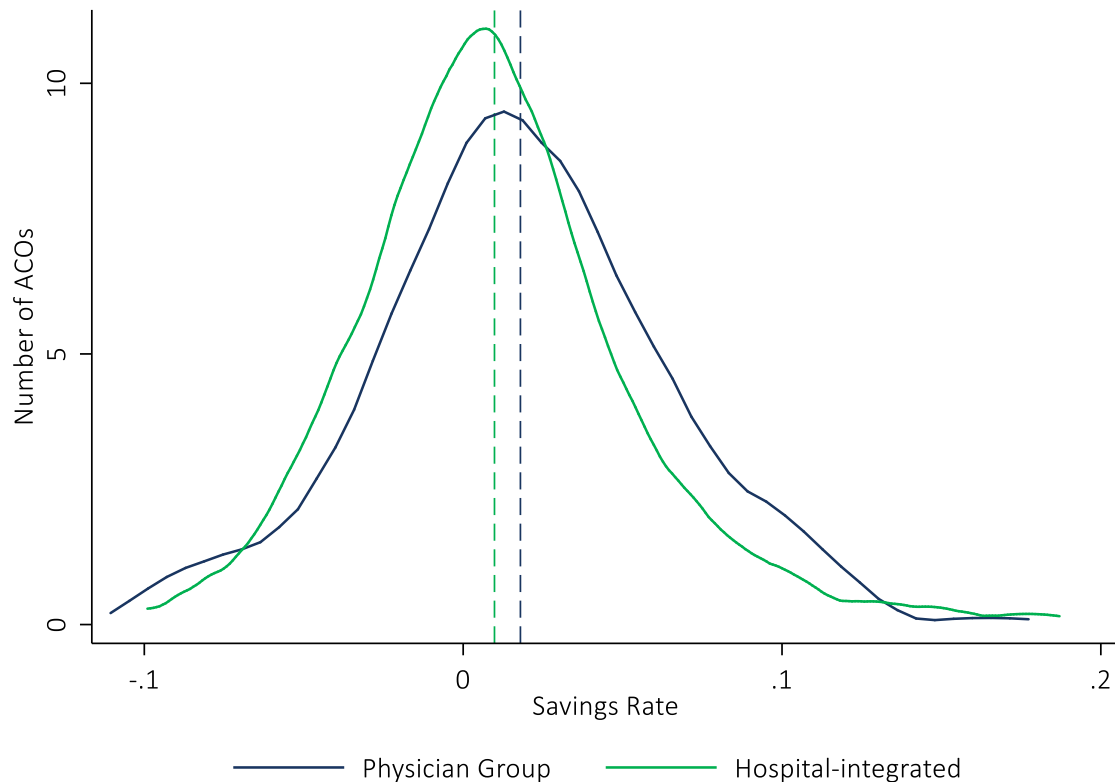
ACO Growth



2017 Savings Rate by ACO Type

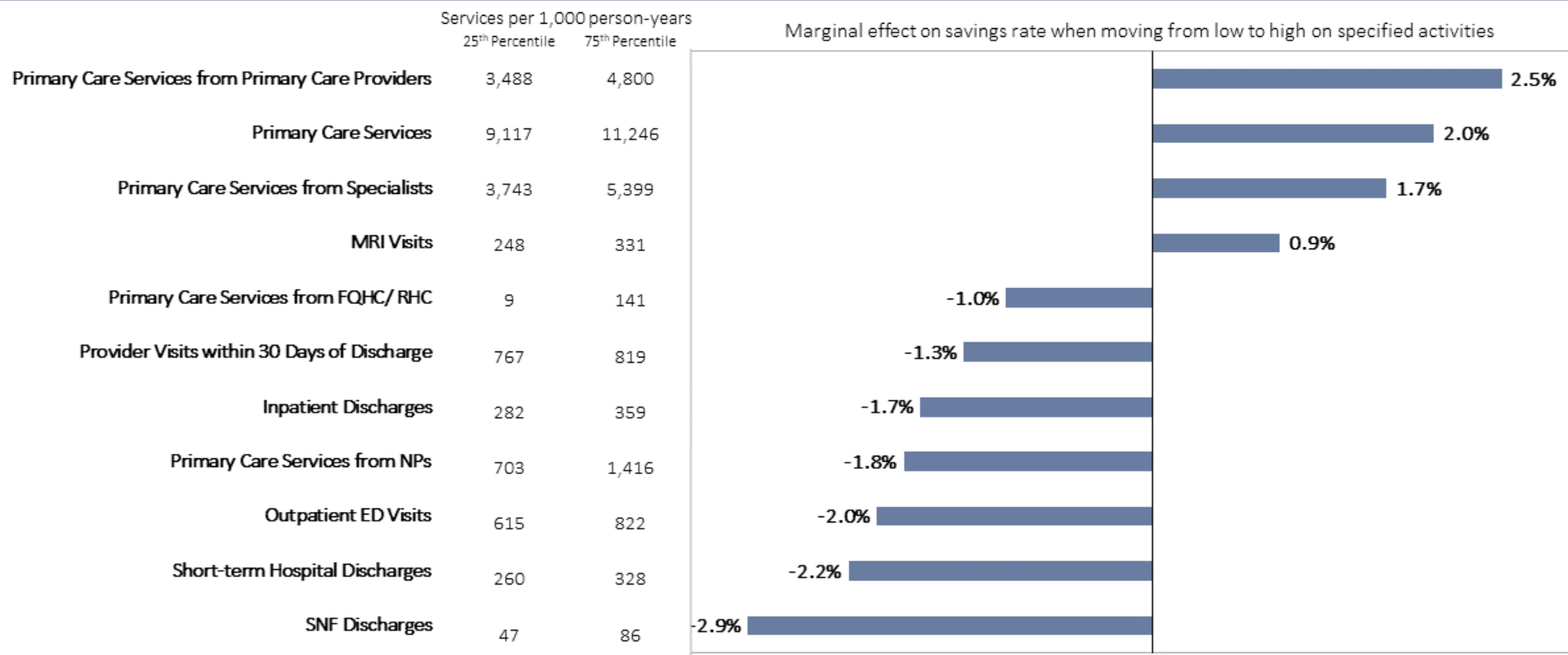


There is wide variation in performance of all types of ACOs.



Leavitt Partners Analysis of 2017 Medicare Shared Savings Program Results.

Utilization impact on savings



Percentages shown are the marginal effect of moving from the bottom quartile to the top quartile of the specified activities, controlling for aligned beneficiaries, total benchmark expenditures, year, and patient risk scores. For percentiles, values are services per 1,000 person-years. Source: Leavitt Partners Analysis of 2017 MSSP Data; See also Muhlestein, David B., Spencer Q. Morrison, Robert S. Saunders, William K. Bleser, Mark B. McClellan, and Lia D. Winfield. 2018. "Medicare Accountable Care Spending Patterns: Shifting Expenditures Associated With Savings." *American Journal of Accountable Care* 6(1). <http://www.ajmc.com/journals/ajac/2018/2018-vol6-n1/medicare-accountable-care-spending-patterns-shifting-expenditures-associated-with-savings>.

Discussion





Q&A