

Accountable Care Organizations

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DO NOT CITE OR CIRCULATE

FFS

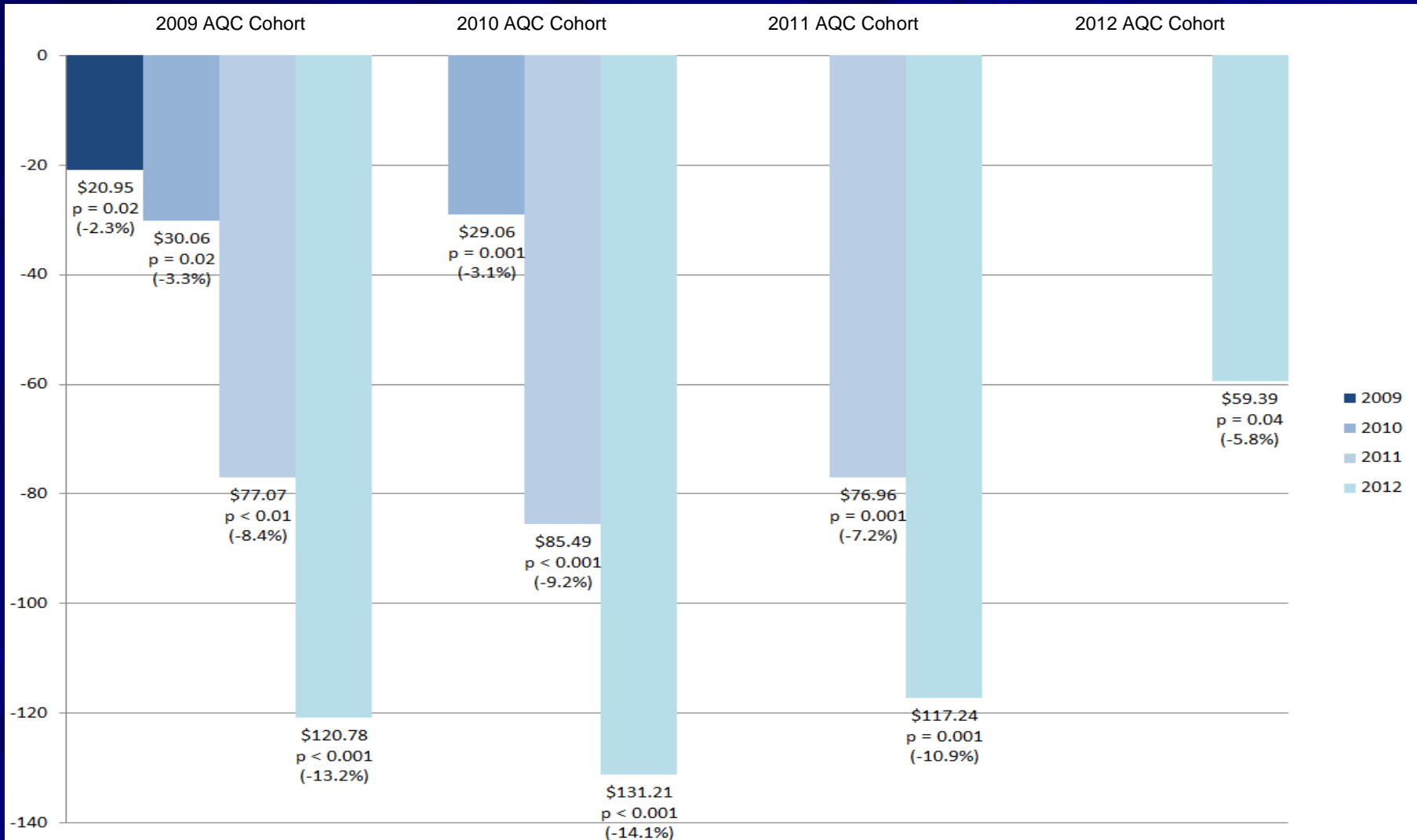
- Pay for each service separately
 - Consistent with fragmented delivery system
 - Incentivizes quantity of services rather than quality
 - Hard to get prices right
 - Hard to impose accountability
- Pay for performance may promote quality, but does not fundamentally address concerns

Wide Range of Strategies

- Global models
 - ACOs
 - CCOs (Oregon)
 - AQC
- Episode bundles
 - BPCI
 - Arkansas
 - BCBS NJ
- Medical home based models
 - Comprehensive primary care initiative
 - CCNC
 - Carefirst

Evaluations

AQC had Growing Impact



Song, Zirui, et al. "Changes in health care spending and quality 4 years into global payment." *New England Journal of Medicine* 371.18 (2014): 1704-1714.

Pioneers had Modest Savings

Spending category	Quarterly mean	Differential change from 2009-11 to 2012 for ACO group vs. control, \$	Savings, %
Total	2456	-29.2*	-1.2
Acute inpatient	911	-13.5*	-1.5
Total outpatient	793	-6.9	-0.9
Office	405	7.3	+1.8
Hospital outpt dept	388	-14.2*	-3.7
Poste-acute (SNF/IRF)	271	-8.7*	-3.2

*P<0.05

Spending Results Continued

- Total spending was similar for ACOs with and without financial integration
- Savings were greater for ACOs with baseline spending above the local average
 - \$39.4/quarter more in savings (P=0.048)
- Savings were greater for ACOs serving high-spending areas
 - \$56.3/quarter more in savings (P=0.04)
- Savings similar in drop outs

ACOs do not adversely affect patient experiences (and may improve them)

Overall Rating	Adjusted Means Preintervention Group	Differential Change in ACO Group	Effect Size
Overall	8.59	0.02	0.2
Primary physician	9.04	0.00	0.0
Specialist	8.94	0.01	0.01

*P<0.5

- Overall care ratings for high risk patients (7+ CCW conditions and HCC score >1.10) improved significantly
 - Differential change 0.11, P=0.02
 - These improvements correspond to moving from average performance to 82nd-96th percentile among ACOs

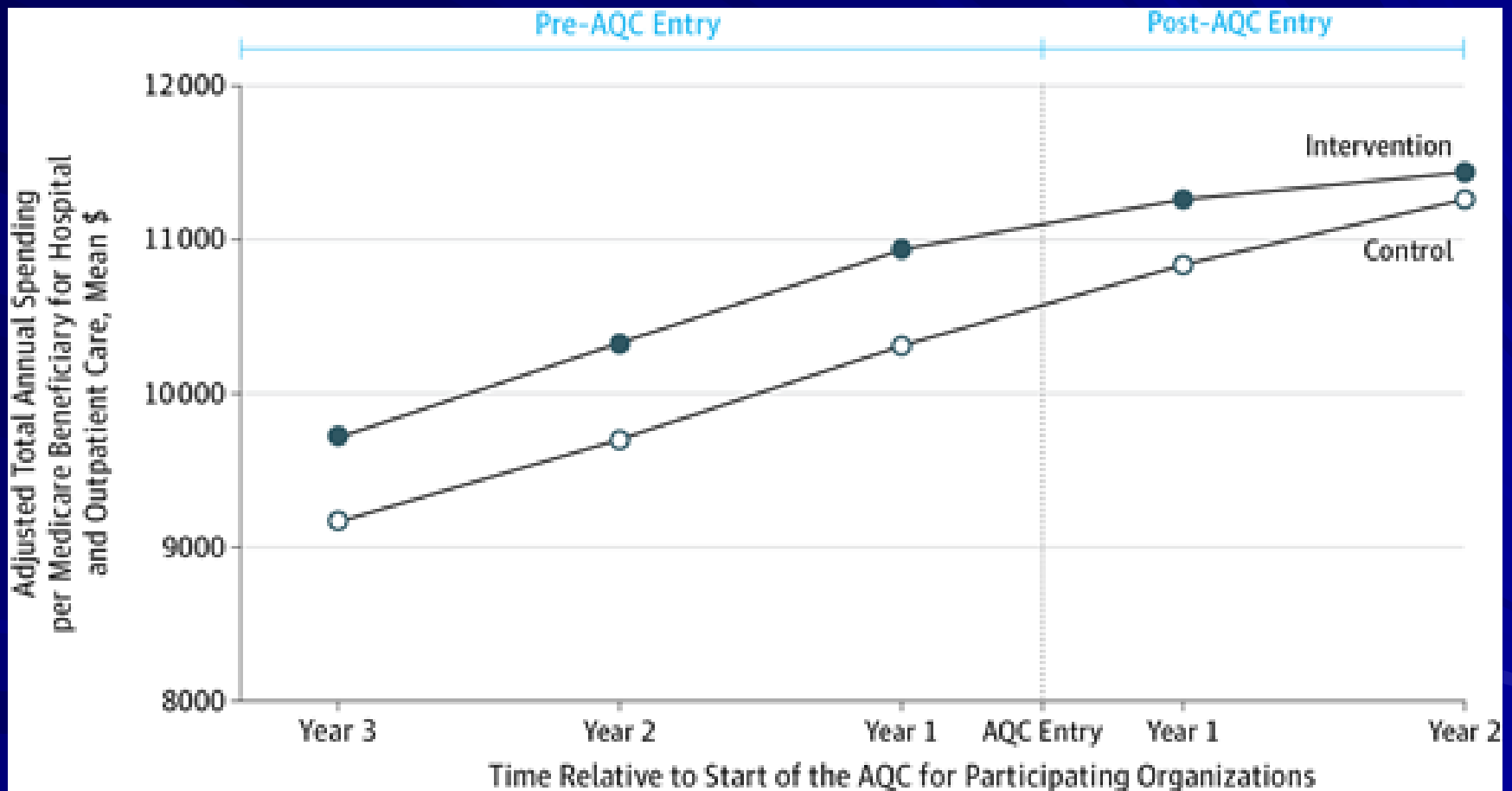
Effect size is the change divided by the standard deviation in the ACO group 

ACO quality performance either improved slightly or did not change

Quality Measure	Annual mean	Differential change for ACO group vs. control
30-day readmissions, no.	0.26	0.00
Hospitalizations for ACSCs, no.	0.06	0.00
CHF	0.02	0.00
COPD	0.01	0.00
CVD and DM	0.02	0.00
Mammography, %	55.2	0.0
Preventive services for DM, %		
A1c testing	73.1	0.5*
LDL testing	77.4	0.5*
Eye exams	55.2	0.8*
Received all 3	38.5	0.8*

*P<0.05

Private Reform Affects Medicare



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