

# Evidence Roadmap: The Internal Workings of Medicare Accountable Care Organizations



In 2013, AcademyHealth's Translation and Dissemination Institute launched its Listening Project, which aims to identify the most pressing health services research needs of leaders in health policy and health care delivery for the coming three to five years. **The 2014 Listening Project Report** identified several research and data gaps related to Medicare. In response to what we heard from the Medicare policy community, AcademyHealth has created this series of evidence roadmaps to identify existing resources related to these gaps. These roadmaps represent a selected minimal set of key resources rather than comprehensive list of relevant research. The roadmaps are intended to help policy analysts and other research users better understand whether a perceived research gap represents an actual lack of evidence or a failure of existing evidence to reach the policy arena, that is, a failure of adequate translation and dissemination. AcademyHealth undertook this roadmap with the support of the Robert Wood Johnson Foundation.

Accountable care organizations (ACOs) are provider organizations designed to coordinate care by integrating hospital, physician, and other services with the intention of improving quality and value. ACOs are not limited to Medicare, but the Center for Medicare and Medicaid Innovation (CMMI) has funded **several types of ACOs** under its authority to test new ways of providing and paying for Medicare services. The three main types are the Shared Savings Program, which focuses on Medicare providers previously reimbursed on a fee-for-service basis, the Advance Payment ACO Model, which provides supplemental start-up resources to physician-owned and rural providers participating in the Shared Savings Program, and the Pioneer ACO Model, a program that enrolled 32 organizations with previous experience in coordinating care. Under both programs, Medicare shares any savings with the ACO. While CMMI's evaluation have focused on these organizations' overall financial and quality performance, policy analysts and experts identified a need for research to understand the inner workings of ACOs, including their internal payment structures and the specific tools they use to coordinate care and seek efficiencies. This roadmap focuses on these issues. A separate roadmap examines evidence about ACO's impact on Medicare and the larger health care marketplace.

Because ACOs — both within and outside of Medicare — are a relatively new form of health care payment and delivery, they are still being evaluated. Additional data, studies, and reviews will be forthcoming with time. However, some evidence relevant to the internal workings of ACOs does exist.

## Data Sources

### Medicare Accountable Care Organization Quality Data

The Centers for Medicare & Medicaid Services (CMS) collect data about the physicians and other healthcare providers enrolled in Medicare, including ACOs. This data is part of the CMS Physician Compare Data Set. The ACO file contains information regarding ACO performance rates for certain chronic disease measures for 146 Shared Savings Program and Pioneer Program ACOs starting in 2012. Data sets are publically available and can be downloaded online. (CMS data website: [data.medicare.gov](http://data.medicare.gov))

### National Survey of Accountable Care Organizations

The National Survey of Accountable Care Organizations is a project of The Dartmouth Institute for Health Policy & Clinical Practice and the University of California, Berkeley, School of Public Health. NSACO collects information regarding contract arrangements, organizational structure, and ACO capabilities. While not specific to Medicare ACOs, this survey does collect data relevant to inner workings of the organizations. (Survey inquires: [NSACO@dartmouth.edu](mailto:NSACO@dartmouth.edu); NSACO website: [tdi.dartmouth.edu/research/evaluating/health-system-focus/accountable-care-organizations/research/NSACO](http://tdi.dartmouth.edu/research/evaluating/health-system-focus/accountable-care-organizations/research/NSACO))

## Individual Studies

### First National Survey of ACOs Finds that Physicians are Playing Strong Leadership and Ownership Roles

Colla C, Lewis V, Shortell S, Fisher E. *Health Aff (Millwood)*. 2014 Jun; 33(6): 964-971.

Researchers used data from the first National Survey of Accountable Care Organizations to explore the extent to which physicians participate in ACOs. The study found that physicians have taken active leadership roles in early implementation of ACOs.

### Insights from Transformations Under Way at Four Brookings-Dartmouth Accountable Care Organization Pilot Sites

Larson BK, Van Citters AD, Kreindler SA, Carluzzo KL, Gbemudu JN, Wu FM, Nelson EC, Shortell SM, Fisher ES. *Health Aff (Millwood)*. 2012 Nov; 31(11): 2395-2406.

This cross-site comparison of four accountable care organizations, all members of the Brookings-Dartmouth Accountable Care Organization Collaborative, identified factors that sites perceived to be part of successful ACO formation. This study also discussed payer agreements and level of physician engagement.

### **Delivery System Integration and Health Care Spending and Quality for Medicare Beneficiaries**

McWilliams J, Chernew ME, Zaslavsky AM, Hamed P, Landon BE. *JAMA Intern Med.* 2013; 173(15): 1447-1456.

This study used Medicare claims in conjunction with data from the **Community Tracking Study**, a longitudinal survey and study of health care across the U.S. to compare spending and quality of care across physician groups of varying size. Researchers analyzed two primary factors in ACO performance: primary care orientation and provider risk sharing.

### **Shared Savings Models for ACOs—Incentivizing Primary Care Physicians**

Siddiqui M, Berkowitz SA. *J Gen Intern Med.* 2014 Jun. 29(6): 832-4.

This article proposed various provider compensation models for ACOs and analyzed the potential influence on cost.

## **Grey Literature**

### **An Actuarial Perspective on Accountable Care Organizations**

Washington, D.C.: American Academy of Actuaries; 2012 Dec.

This actuarial overview of ACOs provided perspective on a number of financial and actuarial issues related to ACO implementation, including payment strategy within ACOs and the effect of ACOs on the broader provider marketplace.

### **Accountable Care Strategies: Lessons from the Premier Health Care Alliance's Accountable Care Collaboration**

Forester A, Childs B, Damore J, DeVone S, Kroch E, Lloyd D. Washington, D.C.: Commonwealth Fund; 2012 Aug.

This report provided an overview of ACO implementation strategies from the perspective of hospital and health system members of Premier Health Care Alliance's accountable care implementation collaborative, a national health care performance improvement alliance comprised of thousands of hospitals and other health care providers. The report included discussion of ACOs under the Medicare Shared Savings program.

## **Ongoing Research**

### **Evaluation of the Medicare Accountable Care Organizations**

L&M Policy Research is the lead evaluator since 2012 tasked with determining CMMI-supported ACOs have on population health, cost, and quality of care, and control the cost of care and determine which organizational characteristics, strategic decisions, and operational practices contribute to achieving program goals. For their first report on Pioneer ACOs, see <http://innovation.cms.gov/files/reports/pioneeracoevalreport1.pdf>

### **Studying the Evolution of Accountable Care Organizations for Quality, Resource Use, and Cost. Robert Wood Johnson Foundation**

Robinson J, Williams T (Integrated Healthcare Association).

This study is conducting case studies of five California ACOs, differing in organization, payment models, and payer mixes. There is an emphasis on ACOs that assume downside risk and that care for patients in the safety net.

### **Relative Patient Benefits of a Hospital-Patient-Centered Medical Home (PCMH) Collaboration Within an Accountable Care Organization (ACO) to Improve Care Transitions**

Schnipper J (Brigham and Women's Hospital, Department of Medicine). Patient Centered Outcomes Research.

The study is examining the hospital-to-home transition in ACOs in an effort to help providers decide whether or not to join an ACO and evaluate efficacy of the ACO model regarding the proposed intervention. While not directly related to internal structure, this study has the potential to illuminate aspects of internal structure, care coordination, and consequences for patients/providers.

## Search Strategy

AcademyHealth staff first identified key words and associated MeSH (medical subject headings) terms using the National Library of Medicine MeSH browser. Staff used the key words to search various databases and journals for relevant articles, and then examined the bibliographies of these articles to identify additional studies. Staff searched health care, health policy, trade group, government, and academic websites for grey literature and chose studies most relevant to alternative Medicare organizations, in the context of the Listening Project Report. Because the purpose of these roadmaps was to inform current policy, searches focused on years 2010 through 2014, with older resources included when appropriate. Two AcademyHealth members, chosen for their relevant expertise, reviewed the draft Roadmap, and AcademyHealth staff then updated the document to incorporate the reviewers' comments and suggestions.

**Databases:** EBSCO Host—Academic Search Elite, Business Source Elite; SAGE Publications; Medical Care Research and Review; PubMed/MEDLINE; Health Affairs; Google Scholar; HSRProj

**Websites:** Kaiser Family Foundation; Robert Wood Johnson Foundation; AARP Public Policy Institute; MedPAC; Alliance for Health Reform; National Health Policy Forum

**Key words:** Medicare Advantage; Medicare+Choice; Medicare Part C; Medicare Advantage AND cost; Medicare+Choice AND cost; Medicare Part C AND cost; Medicare Advantage AND quality; Medicare+Choice AND quality; Medicare Part C AND quality; Medicare Advantage AND risk selection; Medicare+Choice AND risk selection; Medicare Part C AND risk selection; Medicare Advantage AND favorable selection; Medicare+Choice AND favorable selection; Medicare Part C AND favorable selection

**Inclusion criteria:** Studies/resources related to the internal operations of Medicare Advantage plans, including physician incentive structure, care coordination, risk selection/favorable selection, and ability to realize efficiency

## Key to Cited Resources

-  **Data sources** provide key descriptive information and trends and are common sources for health services and policy research.
-  **Individual studies** provide findings from key pieces of research.
-  **Grey literature** provides relevant evidence published by organizations whose primary activity is not publishing.
-  **Ongoing research** includes studies currently underway that addresses key questions.