Analyzing the Impact of Accountable Care Organizations on Healthcare Delivery and the Medicare Patient

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ABSTRACT

Accountable Care Organizations (ACOs) were proposed as part of the Patient Protection and Affordable Care Act’s Medicare Shared Savings Plan (MSSP) to address escalating Medicare costs and to increase quality of care for the Medicare population. ACOs will integrate physicians (primary care and specialists) with other healthcare providers (hospitals, health systems) to encourage and reward cost effective and efficient coordination of patient care.

47.5 million Medicare patients accounted for 38% of all primary care office visits in 2010. In the next twenty years the Medicare population will almost double, but experts predict a shortage of approximately 21,000 primary care physicians by 2015. Therefore, it is essential that ACO guidelines make every effort to include small group primary care physicians to avoid potential access issues for Medicare beneficiaries.

First, CMS should clearly define the financing mechanisms and start up costs for the small practice and provide more financial assistance, including startup grants and small-business loans. Second, CMS should encourage the development of ACO models that allow greater participation by small primary care practices – either by accepting them into an existing larger ACO structure or by facilitating small practices’ efforts to formally or virtually organize into a larger structure. Third, CMS should allow for flexibility in the sixty-five quality measures used to qualify practices for participation. Small practices previously recognized as having the capability to provide quality and efficient care (e.g. NCQA Medical Home recognition, including practices recognized as Level One Patient Centered Medical Homes) should be able to participate.