

Accountable Care NEWS

A Broken System: Why High-Risk Patients Aren't Benefiting from Value-Based Care

by Lonny Reisman MD

In a study published in the December 2017 issue of *Health Affairs*, "Medicare ACO Program Savings Not Tied to Preventable Hospitalizations or Concentrated Among High-Risk Patients," researchers reached the conclusion that the majority of savings that have been achieved through Accountable Care Organizations have not been tied to preventable hospitalizations or the care management of high-risk patients.

"Better management and coordination of care for costly conditions and high-cost patients have been presumed to be major mechanisms for achieving savings and are widely emphasized in ACOs' efforts to lower spending," the article reads. "These strategies are supported by quality measures in ACO contracts that focus predominantly on care coordination, prevention and at-risk populations with specific conditions—particularly cardiovascular disease and diabetes."

The article continues: "Based on research to date, however, the pattern of savings achieved by ACOs has not clearly suggested that coordination and management of chronic conditions and high-risk patients have been the major drivers [of savings]."¹ The article then goes on to attribute savings derived from ACOs to other factors, including reduced use of services in skilled nursing facilities, outpatient departments and home health settings.

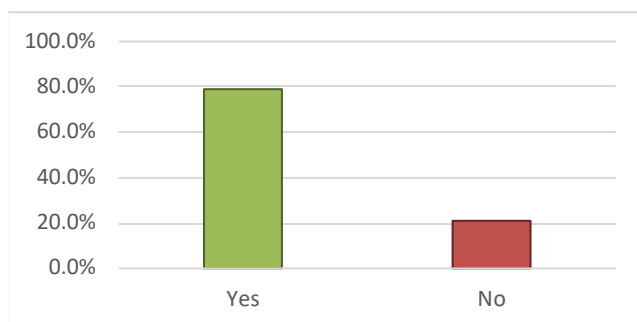
While the study's conclusion—that coordination and management of care for high-risk patients and those with chronic diseases isn't saving the industry as much money under the value-based care model as we had all hoped it would—may seem surprising at first glance, I think the real lesson to be learned here is something else entirely.

(continued on page 2)

Just 28% of ACO Stakeholders Ready to Tackle MACRA

Stakeholder survey on progress of Accountable Care Organizations and insights into the road ahead shows concerns about what the government might do and more ACO activity overall.

Organizations Involved with ACOs



Here's the other side of the headline coin: The number of respondents involved with Accountable Care Organizations continues to materially outweigh that of those that are not: Overall, 79% now say their organizations are involved with ACOs, including development, operations or contracting arrangements; specifically, 75.8% of Vendor/Others say they're involved with ACOs, as do 73.3% of Purchasers (plans, employers, TPAs, PBMs, agents) and 84.8% of Providers (hospitals, physicians, pharma). That's a 3.3 percentage point increase over 2016, and it means that 72% of a bigger group of stakeholders than last year are unprepared for the Medicare Authorization and CHIP Reauthorization Act's many mandates. Respondents also see changes coming for ACOs – from minor to repeal – but 14.6% don't see any, and 15.9% aren't sure. *(continued on page 8)*

In This Issue

- 1 **A Broken System: Why High-Risk Patients Aren't Benefiting from Value-Based Care**
- 1 **Just 28% of ACO Stakeholders Ready to Tackle MACRA**
- 4 **Washington DC Watch**
- 11 **Thought Leaders' Corner: 'What will be the biggest news in private sector accountable care in 2018, and what will be the biggest news in federal accountable care programs?'**
- 12 **Industry News**