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# Understanding ACOs

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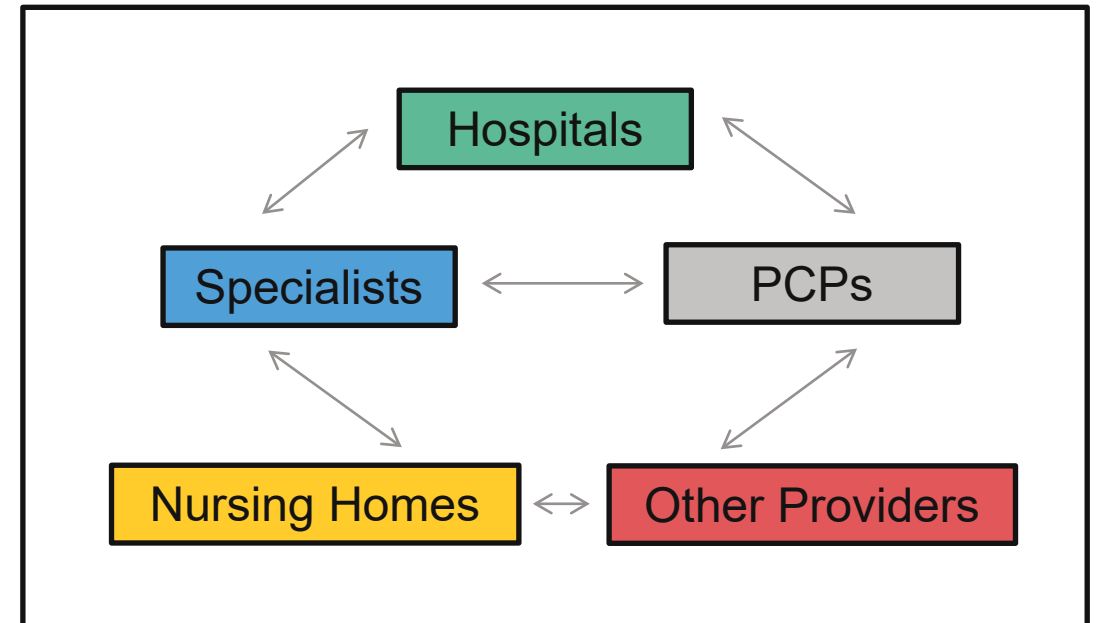
**USC Sol Price School of Public Policy**

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# What is an ACO?

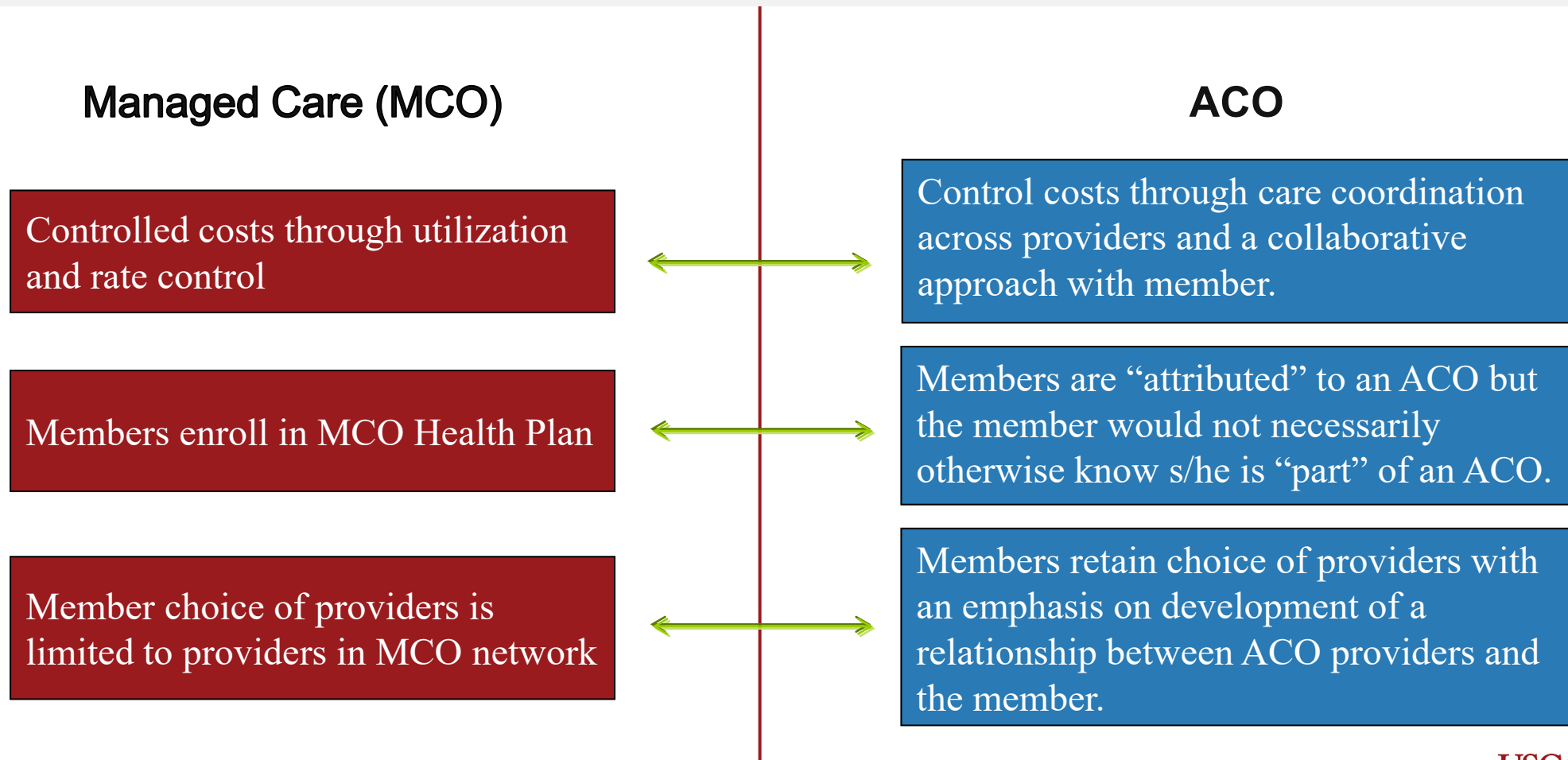
Group of providers who are responsible for a population of patients

- ACOs consist of a group of doctors, hospitals, and other health care providers who come together voluntarily
- Receive bonuses for reducing spending for patients (through care coordination, less duplicative care)
- Meet certain quality thresholds set by the insurer



# ACOs are VERY Different from Managed Care Organizations

In an ACO: members retain choice; providers focus on care coordination



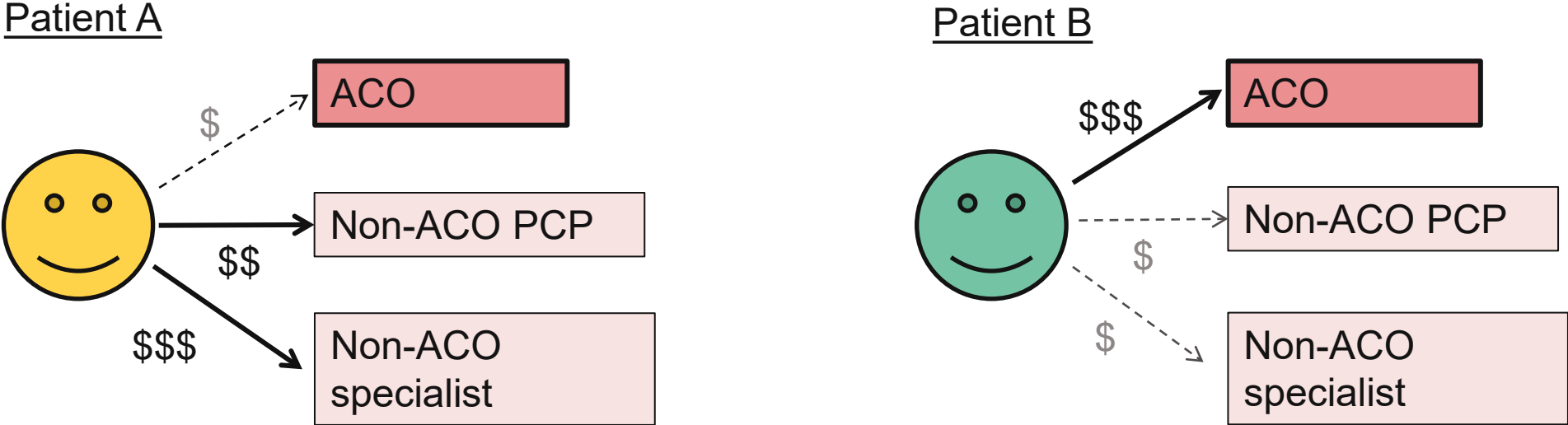
# Myths about ACOs

## Common misconceptions about ACOs.

1. I will lose my doctor
2. I can't choose the specialist that I prefer or the hospital that I like
3. I want to choose my doctor, not the government
4. My doctor won't recommend the best treatment because it is too expensive
5. My doctor gets paid extra to not run tests on me

# ACOs Do Not Limit Which Providers You Can See

Patient “attribution” is for provider benchmarking; it is unrelated to a patient’s choice.



The ACO will be responsible for patient B’s total health care utilization, but not patient A’s. Both patients can see whomever they want.

# ACOs Quality Metrics Follow Patient Experience and Outcomes

Quality metrics must be met in order to qualify for any financial bonuses

Patient/caregiver experience

*E.g., Getting timely care and appointments; patient's rating of doctor*

Care coordination/patient safety

*E.g., Admissions rates for patients with multiple chronic conditions, 30-day readmissions rates*

Preventive health

*E.g., Flu vaccines, cancer screenings*

At-risk populations

• *E.g., diabetes and hypertension management*

# Where Do ACO Spending Reductions Come From?

Academic research has shown that ACOs have reduced some wasteful spending

- Reducing excessively long SNF stays
- Reducing duplicative imaging
- Shifts away from outpatient facilities that charge higher prices
- Discharges to facilities, rather than home
- Lower readmission rates



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