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FIRST NATIONAL SURVEY OF HOSPITAL READINESS TO PARTICIPATE IN ACCOUNTABLE CARE ORGANIZATIONS SHOWS PROMISE FOR STRENGTHENING PRIMARY CARE AND IMPROVING CARE COORDINATION

Thirteen Percent of Hospitals Are in or Preparing to Participate in ACOs; Wide Majority of ACOs Are Physician-Led

August, 17, 2012, New York, NY—A nationwide survey of nearly 1,700 hospitals examining their readiness to form accountable care organizations (ACOs) found that 13 percent are participating in, or planning to participate in, ACOs in the next year, according to a new report from The Commonwealth Fund. Nearly all (93%) of the ACOs in which hospitals are participating are physician-driven—either created as joint ventures between hospitals and physicians (57%) or physician-led (26%). ACOs are intended to promote an enhanced focus on primary care with responsibility for a defined patient population and accountable for achieving benchmark levels of quality and cost.

The report, *Hospitals on the Path to Accountable Care: Highlights from a 2011 National Survey of Hospital Readiness to Participate in an Accountable Care Organization*, by researchers at The Commonwealth Fund and Health Research and Educational Trust, also reveals that hospitals already involved with ACOs are making progress in improving coordination of patient care and ensuring safe transitions among care settings. Most of these hospitals, about three-quarters (73%), report sharing clinical data among health care settings, including with primary care practices, and 70 percent have processes in place to identify patients moving between care settings such as nursing homes and rehabilitation facilities, who might need additional attention.

“ACOs aim to provide well-coordinated, patient-centered health care with the goal of achieving the triple aim of improved health, improved patient experiences and lower costs,” said Anne-Marie Audet, M.D., Vice President for Health System Quality and Efficiency at The Commonwealth Fund and lead author of the study. “Hospital ACO participation at this early date shows promise, and physicians leading these efforts can help ensure there is appropriate focus on primary care to improve quality and efficiency of patient care.”

Hospitals participating in or planning to participate in ACOs are already emphasizing care for patients with complex needs who are at high risk for being readmitted to the hospital, according

to the report. More than half (53%) reported calling patients within 72 hours of their discharge from the hospital to another care setting, and nearly 35 percent said they arrange home visits by advanced practice nurses or physicians for homebound or otherwise complex patients.

Additional Survey Findings:

- Fifty-six percent of hospitals participating or planning to participate in an ACO said they had or were pursuing an ACO contract with a commercial payer or self-insured employer. Thirty-two percent were planning to apply for the Center for Medicare and Medicaid Innovation ACO program.
- While 73 percent of ACO-participating hospitals say they share information across care settings, only 35 percent have the ability to track whether the information exchange has been successful.
- Nearly 85 percent of ACO-participating hospitals have information systems to track how patients use health care services, but there is room for improvement in their readiness to manage sicker patients. Only 19 percent reported using predictive tools to identify high-risk, high-cost patients and only 28 percent have plans to use case managers to support the sickest, most costly patients the ACO will treat.
- When looking at financial risk, the survey found that only 50 percent of hospitals participating or planning to participate in an ACO reported that they have the financial strength to accept risk. Fifty-nine percent have stop-loss or reinsurance provisions, and 69 percent have processes in place for monitoring the use and costs of services compared with revenue received or allowed.

“As of the summer 2012, nearly 2.4 million Medicare beneficiaries are receiving health care services from 154 Accountable Care Organizations participating in the CMS and CMMI programs, and this new model of providing care is spreading rapidly,” said Commonwealth Fund President Karen Davis. “As these early adopters take risks and work to make the ACO model a success, it will be crucial to evaluate their progress and challenges so we can refine future policies, share best practices and lessons learned, spread successful innovations, and assure that ACOs are working for patients.”

Methodology

This report uses data from the National Survey of Hospitals’ Readiness for Population-Based Accountable Care. The survey was conducted by the Health Research Educational Trust from May to September 2011. The survey was mailed to 4,937 short-term, acute-care hospitals identified by the American Hospital Association Annual Survey. A total of 1,672 hospitals responded (34% response rate). The response rate for hospitals with more than 300 beds was 47 percent and 42 percent for hospitals with more than 400 beds.

The Commonwealth Fund is a private foundation supporting independent research on health policy reform and a high performance health system.