



First National Survey of ACOs Finds That Physicians Are Playing Strong Leadership and Ownership Roles

Synopsis

According to the first-ever survey of public and private accountable care organizations (ACOs), 51 percent of ACOs are physician-led, with another 33 percent jointly led by physicians and hospitals. In more than three-quarters of ACOs (78%), physicians make up a majority of the governing board. Two of five ACOs have physician ownership. Physician-led ACOs may face challenges in managing care across settings because they are less likely to include hospitals and postacute care providers.

The Issue

The Affordable Care Act is providing incentives for health care providers to form accountable care organizations (ACOs)—groups of providers that are held collectively responsible for the care of a specific population of patients. One major challenge is ensuring that ACOs have both the clinical and managerial expertise to transition away from the fee-for-service model toward team-based, accountable care. This Commonwealth Fund-supported article reports on findings from a new national survey of ACOs that examined the extent to which physicians are engaged in the leadership of ACOs, have boards that are run by physicians, and are physician-owned.

Key Findings

- Fifty-one percent of ACOs surveyed identified themselves as physician led, and another 33 percent said they were jointly led by hospitals and physicians. Only 3 percent said they were led by hospitals alone; the remaining 13 percent were led by other entities.
- In 78 percent of ACOs, physicians make up a majority of the governing board, and physicians own the equipment and employ the staff at 40 percent of all ACOs.

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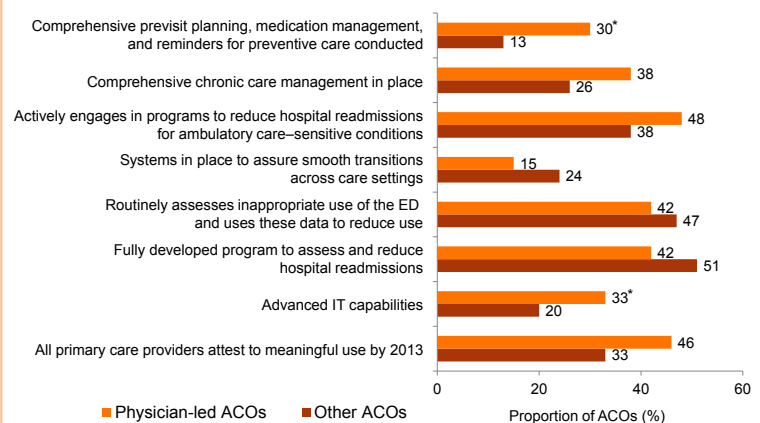
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Care Management and Technology Capabilities by Leadership Type



Notes: ED = emergency department, IT = information technology. Meaningful use of electronic health records as defined by the HITECH (Health Information Technology for Economic and Clinical Health) Act. * Indicates p-value on difference < 0.05.
Data: National Survey of Accountable Care Organizations 2013.
Source: C. H. Colla, V. A. Lewis, S. M. Shortell et al., "First National Survey of ACOs Finds That Physicians Are Playing Strong Leadership and Ownership Roles," *Health Affairs*, June 2014; 33(6):964–71.

- Significantly fewer physician-led ACOs were participating in contracts that included down-side risk, compared with ACOs with other leadership structures. In both groups, nearly all the ACOs that were bearing risk had previous experience with risk-based contracting, either through bundled payment or capitation.
- Physician-led ACOs are leading in outpatient care management and health information technology (HIT), but lagging in their ability to manage care across settings, consistent with the fact that they are less likely to include hospitals and postacute care providers.
- Developing HIT infrastructure was the most frequently cited challenge.

Looking Forward

“In spite of initial concerns about potential hospital dominance, physicians are at the forefront of leadership in the early implementation of the ACO payment and delivery model,” write the authors. Because they are less likely to include hospitals or postacute care facilities, physician-led ACOs may face greater challenges in helping patients transition between settings. They are less likely to include pharmacy or behavioral health services, making it more difficult to track medication compliance or follow up on mental health referrals. The authors also note that because physician-led ACOs are more focused on outpatient care, they may be able to reduce the use of inpatient or postacute care and to address the overuse of certain health care services. Because it is not yet clear which characteristics are essential to performance, the authors stress that policymakers and payers should continue to provide different types of support and contracts to foster the development and success of ACOs.

“It seems likely that the challenge of fundamentally changing care delivery as the country moves away from fee-for-service payment will not be accomplished without strong, effective leadership from physicians.”

About the Study

The researchers examined data from the first wave of the National Survey of Accountable Care Organizations, fielded October 2012 to May 2013. The survey was completed by ACO executives, including CEOs, executive directors, and chief medical officers. The final sample included 173 ACOs.

The Bottom Line

Physicians are at the forefront of ACO leadership: 51 percent of ACOs are physician-led, with another 33 percent jointly led by physicians and hospitals.

C. H. Colla, V. A. Lewis, S. M. Shortell et al., “First National Survey of ACOs Finds That Physicians Are Playing Strong Leadership and Ownership Roles,” *Health Affairs*, June 2014 33(6):964–71.

This summary was prepared by Deborah Lorber.