



ACOs Serving High Proportions of Racial and Ethnic Minorities Lag in Quality Performance

Synopsis

Accountable care organizations (ACOs) that serve a high number of minority patients performed worse on most quality-of-care measures than those serving a comparatively small number of minority patients, a new analysis of Medicare ACOs finds. New policies may be needed to support these ACOs in their efforts to improve patient care.

The Issue

Overall, the ACOs in Medicare's Shared Savings Program—which provides participating organizations with incentives to lower health care cost growth while meeting quality performance standards—have increased their quality of care during the program's first three years. But how have those ACOs serving large numbers of racial and ethnic minorities performed? A Commonwealth Fund-supported study compared the performance of ACOs in the Shared Savings Program that serve high and low proportions of minority patients.

Key Findings

- On average, 18 percent of ACO patients were members of minority groups (African Americans, Hispanics, Asian Americans, Native Americans, and others). A small number of ACOs served high proportions (more than 24%) of minority patients.
- Compared with patients in other ACOs, those in ACOs serving a high proportion of minority patients tended to be sicker and poorer.
- Having a higher share of minority patients was associated with worse performance on 25 of 33 performance measures. It also was associated with worse performance on two composite measures of chronic disease management as well as on an overall quality score.
- ACOs serving a high proportion of minority patients did not “catch up” over time: the association between the proportion of minority patients and quality performance was consistent across the first and second years of ACO programs.
- ACOs serving a high share of minority patients appeared to be similar to other ACOs in terms of their provider composition, services, and clinical capabilities.

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The Big Picture

ACOs serving a high proportion of minority patients do worse than other ACOs on quality performance measures—a finding only partially explained by the fact that minority patients tend to have greater health risks than white patients. Such ACOs perform worse on measures of clinical processes as well as outcomes. The authors speculate that these differences may be related to patient socioeconomic status, disparities in quality of providers, and an uneven distribution of resources available to devote to performance improvement. To promote participation by ACOs in the Medicare Shared Savings Program and to fairly reward providers' improvement efforts, the authors suggest that policymakers could take a variety of paths. These include considering additional risk adjustment in performance measurement, providing larger incentives for relative improvement rather than overall performance scores, or creating additional supports or resources for low-performing providers.

“Policy makers could use this study and additional information to stimulate discussions about and consideration of the role of health care equity in new payment models that focus largely on improving the efficiency of the health care system.”

About the Study

Using data from the Medicare Shared Savings Program, researchers analyzed the performance of 306 ACOs in the first year of the program. They also used Medicare data to determine what proportion of the ACOs' attributed patients were nonwhite. They supplemented this analysis with results from the National Survey of Accountable Care Organizations on ACO composition, services provided, contracts, and clinical capabilities.

The Bottom Line

ACOs serving high numbers of minority patients perform worse on measures of patient care than other ACOs.

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This summary was prepared by Martha Hostetter.