ACO Readiness in 2011: Physician-Led Accountable Care Organizations Wave of the Future

INDUSTRY PULSE FROM THE HEALTHCARE INTELLIGENCE NETWORK™
Results of HIN monthly e-survey on trends shaping the healthcare industry.

Executive Summary

Accountable care organizations (ACOs) create integrated delivery systems that encourage teams of physicians, hospitals and other providers to collaboratively coordinate care for ACO members. The 2010 Patient Protection and Affordable Care Act (PPACA) requires the U.S. Secretary of Health and Human Services to establish a Shared Savings Program — an ACO that will be accountable for the quality, cost and overall care of assigned Medicare beneficiaries enrolled in the traditional fee for service program. Its expected launch date is January 2012.

To assess the industry’s awareness of and readiness for ACOs, the Healthcare Intelligence Network conducted a e-survey on Accountable Care Organizations in February 2011. Responses from 228 healthcare organizations, which were analyzed before CMS released its proposed rule governing ACOs, indicated that a significant segment of the industry is reframing its care delivery structure as an ACO or will do so in the near future.

The survey results indicate that while hospitals are at the helm of ACOs in operation today, the future of ACO management will be in the hands of physicians.

A lack of awareness about the accountable care organization model is the greatest barrier to ACO engagement, according to 18 percent of respondents with no plans to join or launch an ACO, followed by cost restrictions (13 percent) and reimbursement hurdles (11 percent). The lack of federal standards for ACOs was also a deterrent for several respondents. Most respondents said it was too early to report on impact and ROI from ACO implementation.

Survey Highlights

- About 88 percent of respondents are familiar with the term “accountable care organization.”
- 14 percent of respondents currently participate in an ACO.
- 65 percent of current and planned ACOs plan to participate in CMS’s Shared Savings Program, an ACO for Medicare beneficiaries.
- One-third of current ACOs are administered by a hospital.
- Almost half of current ACOs — 46 percent — expect 100 to 500 physicians to participate.
Go to http://store.hin.com/product.asp?itemid=4151 to order 2011 Benchmarks in Accountable Care Organizations: Metrics & Measurements for ACOs and view other useful resources for making a difference for you, your team and your organization.

Key Findings from Current ACOs

- More than half (54 percent) of existing ACOs include a hospital in the accountable care organization, and almost 30 percent include a pharmacist.
- 70 percent of current ACOs include the commercial population in its membership.
- The majority of today’s ACOs — 42 percent — cover 10,000 or more lives.
- Creation of an ACO can take 12 to 18 months, report half of operating ACOs.
- 90 percent of operating ACOs are using electronic health records.
- Shared savings is built into 40 percent of current ACO’s reimbursement models.

Key Findings from Future ACOs

- The majority of ACOs planned for the next 12 months will be administered by physicians (39 percent). Forty-three percent of planning ACOs will include fewer than 100 physicians.
- Almost three-quarters of future ACOs will include a hospital, and nearly 43 percent will include a pharmacist.
- Cost is the greatest challenge faced by respondents working toward an ACO launch in the next 12 months, report 22 percent of these respondents, followed by staff and management buy-in (20 percent).

About the Survey

The Accountable Care Organizations e-survey was administered in February 2011 via the Healthcare Intelligence Network Web site at http://www.hin.com. Respondents were invited to take the survey via e-mail, e-newsletter and social networking reminders throughout the month. A total of 228 healthcare organizations responded to the survey. The survey included 31 separate questions, with multiple responses possible on some questions. Some of the questions were open-ended, inviting participants to write in their responses. Not all surveys were fully completed. Survey results were compiled by the Healthcare Intelligence Network.

Respondent Demographics

Responses to the February 2011 Accountable Care Organizations e-survey were submitted by 228 organizations. Of 50 respondents identifying their organization type, 16 percent were hospitals, nearly 12 percent were health plans, and 9 percent were primary care providers. Almost half — 46 percent — categorized their organization as ‘Other.’
About the Healthcare Intelligence Network

The Healthcare Intelligence Network (HIN) is an electronic publishing company providing high-quality information on the business of healthcare. In one place, healthcare executives can receive exclusive, customized up-to-the minute information in five key areas: the healthcare and managed care industry, hospital and health system management, health law and regulation, behavioral healthcare and long-term care.

Related Resource

Need more data from this survey? The healthcare industry didn’t wait for clarity from CMS to lay the groundwork for the ACO integrated care delivery model. 2011 Benchmarks in Accountable Care Organizations: Metrics & Measurements for ACOs delivers actionable data from 228 healthcare organizations on current and planned accountable care organizations as well as details on ACO composition, reimbursement models and metrics used by ACO early adopters to measure success, quality, efficiency and satisfaction.

For more information, please visit: http://store.hin.com/product.asp?itemid=4151

Visit the ACO News Center

Visit the Accountable Care Organization News Center at http://www.hin.com/aco/aco.html for the latest news, white papers, blog posts, podcasts and other resources on ACOs.

Join Our Community:

Contact us:
Healthcare Intelligence Network
800 State Highway 71, Suite 2
Sea Girt, NJ 08750

Phone: (732) 449-4468
Fax: (732) 449-4463
E-mail: info@hin.com

“Healthcare Intelligence Network” is a trademark of the Healthcare Intelligence Network.

©2011, Healthcare Intelligence Network®. All Rights Reserved.