

Oregon experiment will provide insight into ACO-based reform

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(HealthDay)—The outcome of the Oregon experiment, an ambitious program centered on a model of an accountable care organization (ACO), will offer important lessons for the wider implementation of ACOs as cost-saving mechanisms, according to a perspective piece published online Feb. 13 in the *New England Journal of Medicine*.

Eric C. Stecker, M.D., M.P.H., from the Oregon Health and Science University in Portland, described the Oregon experiment, centered on a coordinated care organization (CCO, based on the ACO), which includes escalating Medicaid financing and [health care delivery](#). The health plan is designed to yield faster cost savings without compromising on quality.

Health Authority funding is stable for the first year of the program on condition that the program achieves a 2 percent reduction in the rate of growth in per capita Medicaid spending by the end of the second year, otherwise there are large penalties.

According to the report, the reform principles emphasized in the Health Plan, including expansion of disease-management programs and patient-centered medical homes, have not been shown to reduce costs. Other challenges include the lack of integration among contracted [health systems](#) and mixed models of reimbursement of the different CCO-contracted organizations, which may undermine efforts to improve efficiency.

"Overall, the Oregon experience highlights several important considerations regarding formation, implementation, and performance characteristics that policymakers and payers should consider when contracting with ACOs," the authors write. "Regardless of outcome, this experiment will hold crucial lessons for ACO-based reform."

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