

Accountable care organizations improving health care in California

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California has more accountable care organizations (ACOs) than any other state in the country, with particularly rapid growth over the past two years. This is a good thing, according to the Berkeley Forum for Improving California's Healthcare Delivery System, which [released a report today](#) with new evidence that ACOs improve the quality of care, increase patient satisfaction, and may reduce costs.

"The next few years are likely to bring continued growth and diversity in accountable care models that move increasingly toward being paid for meeting cost and quality targets," said Stephen Shortell, lead author of

the report and chair of the Berkeley Forum. Shortell is also a professor and dean emeritus of the UC Berkeley School of Public Health.

ACOs are defined as medical groups that contract with Medicare and/or commercial insurers to care for a defined population of patients and that are held accountable to meet cost and quality criteria. In a [2013 report](#), Berkeley Forum leaders called for at least 50 percent of Californians to be receiving care under new payment models that encourage keeping people well by 2022; and having at least 60 percent of Californians receiving their care from integrated care systems, versus only 29 percent today.

"California is fortunate to have many integrated health care delivery systems at various stages of development. The advancement of these systems into accountable care organizations and partnerships should be viewed as an important and very positive innovation in payment and [health care delivery](#)," said Tom Williams, immediate past-president of the Integrated Healthcare Association and vice president of accountable care operations and strategy at Stanford Health Care.

The report presents emerging evidence that suggests that the quality of care that ACOs provide is as good, and on some measures, better than that provided by other models of care. For the analysis, the team compared medical groups with an ACO contract to medical groups without an ACO contract on widely used HEDIS quality of care measures for asthma care, cancer screening, chlamydia screening, [diabetes care](#), heart care, and pediatric care. ACOs scored significantly better for cancer screening. In addition, patients receiving care from medical groups with ACO contracts had consistently higher satisfaction scores than patients receiving care from groups without ACO contracts. This included measures of access to care, overall coordination of care, actions to promote health, communication with doctors, helpfulness of office staff, and overall ratings of care.

While full cost-savings data are not yet available, preliminary evidence from an ACO contract in Sacramento found savings of \$20 million, with no increase in health insurance premiums for California's CalPERS enrollees. The study also addressed the concern that as ACOs grow in size they may exert pressure to increase prices.

"At this point in time, our analysis indicates there is little evidence to support such concern," said Richard Scheffler, report co-author and vice chair of the Berkeley Forum.

Based on existing and ongoing study, the report identifies six factors associated with more successful ACOs. These include:

- Achieving sufficient size to spread costs,
- Developing new models of caring for high complex/high risk patients,
- Expanding the use of electronic health records,
- Developing effective partnerships with post-acute care providers and specialists,
- Motivating patients and families to become more engaged in their care, and
- Using standardized and transparent quality of care data for the purposes of public reporting and internal quality improvement.

Provided by University of California - Berkeley

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