

Pioneer ACO program sees modest reduction in low-value services

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The Medicare Pioneer ACO (accountable care organization) program in its first year was associated with modest reductions in low-value services that provide minimal clinical benefit to patients, according to an article published online by *JAMA Internal Medicine*.

The Medicare Pioneer ACO program puts spending for all services under a global budget with incentives to stay within the budget and improve quality measures. In 2012, 32 [health care provider](#) organizations volunteered to participate. Organizations either receive a bonus payment or are penalized if overall spending for a population falls sufficiently below or above a financial benchmark. However, it is unknown whether payment reforms such as these are associated with disproportionate reductions in the use of low-value services.

J. Michael McWilliams, M.D., Ph.D., and Aaron L. Schwartz, Ph.D., of Harvard Medical School, Boston, and coauthors examined the use of 31 low-value care services, including certain cancer screenings, preoperative testing, imaging, cardiovascular testing and other procedures, before (2009-2011) and after (2012) Pioneer ACO contracts began. The authors measured annual [service](#) counts and annual service spending per 100 beneficiaries.

Authors report the first year of ACO contracts was associated with a reduction of 0.8 low-value services per 100 beneficiaries for the ACO group, which was a 1.9 percent reduction in service quantity and a 4.5 percent reduction in spending on low-value services.

Organizations providing more low-value care saw greater reductions. The authors report a decline of 1.2 services per 100 beneficiaries in ACOs with higher baseline use of low-value care service than their service area compared with a decline of 0.2 services per 100 beneficiaries at ACOs with lower baseline rates, according to the results.

The authors acknowledge limitations to the study, including that organizations volunteering for the Pioneer program may have been well positioned to identify and reduce wasteful practices.

"Despite the limitations of the study, our findings, taken together with those of studies demonstrating spending reductions greater than Medicare bonus payments and improved or stable performance on measures of patient experiences and quality, are consistent with the conclusion that the overall value of health care provided by Pioneer ACOs improved after their participation in an alternative payment model. Finally, our study demonstrates the utility of novel measures of low-value service use for evaluating the effects of health care policy initiatives," the authors conclude.

In a related commentary, Arnold Milstein, M.D., M.P.H., of Stanford University, California, writes: "Uniquely positioned to slow health care spending growth responsibly, physicians and other health care professionals at the initiation of Medicare's Pioneer ACO program precisely targeted reduction of low-value services. All physicians and [health care](#) managers will increasingly be called on to apply similar precision in continuously lowering the unit cost of delivering valuable services without impairing the quality of care. Although adjusting practice to lower costs is a stretch from physicians' traditional role, the well-being of their patients and their communities now depend on it."

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