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Hospitals participating in accountable care organizations tend to be large and urban

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A new study led by researchers from the The Dartmouth Institute for Health Policy and Clinical Practice examines the extent and ways in which accountable care organizations (ACOs) involve hospitals in their operations. Accountable care organizations are groups of providers that are collectively held responsible for the care of a defined population of patients, and the study's authors state that the extent to which ACOs involve hospitals in their operations may 'prove to be vitally important, because managing hospital care is a key part of improving health care quality and lowering cost growth.'

Using data from the National Survey of Accountable Care Organizations and the Leavitt Partners ACO Database, the study analyzed the types of hospitals participating in ACOs to determine whether they differed from those not participating. The study, which was published in the March issue of *Health Affairs*, then utilized interviews with key ACO personal (predominantly chief medical officers) to examine the advantages and disadvantages of hospital participation in ACOs.

Among the study's key findings regarding the types of hospitals participating in ACOs:

- 20% of U.S. hospitals were part of ACO in 2014
- Large hospitals rather than smaller ones were more likely to have an ACO contract. Hospitals participating in ACOs were most likely to be in the most heavily populated urban areas and least likely to be in more rural areas, with more than two-thirds

located in the Eastern or Pacific regions.

- For hospitals that participated in ACOs, 13% of the population in the hospital's catchment area had incomes under the federal poverty level, compared to 16% for hospitals not participating in an ACO.
- The large majority (85%) of hospitals that participated in ACOs were short-term acute care hospitals, rather than specialty or critical access hospitals.
- Teaching hospitals and those that offered a greater number of services (such as obstetrics and intensive care) were more likely to participate in ACOs, compared to non-teaching hospitals and those that offered fewer services.

Advantages of including a hospital:

- Most representatives of ACOs with a hospital reported that the hospital was an advantageous source of capital to the ACO, while leaders of ACOs without hospitals thought a hospital would be a useful source of capital.
- Other strategic advantages of hospital participation in an ACO included patient data sharing between inpatient and outpatient settings, such as discharge summaries or alerts to an emergency admission, as well as the ability to align financial incentives across care settings to regulate costs and ensure quality.

The study's authors, Carrie Colla, Valerie Lewis, Emily Tierney and David Muhlestein, conclude that policymakers have the ability to negate some of the perceived disadvantages of forming an ACO without a hospital by providing access to capital and support for implementing

health information exchange systems. They also note that for ACOs to meet quality and cost goals it will be 'important to ensure broader and more consistent participation of different types of providers in the model.'

Provided by The Dartmouth Institute for Health Policy & Clinical Practice