

Study tracks factors linked to creation of accountable care organizations

7 October 2013

Regions of the U.S. where doctors and hospitals are consolidated into large networks are more likely to have accountable care organizations, medical practice structures intended to improve medical care and cut costs, according to a new RAND Corporation study.

The findings may help policymakers craft new policies to accelerate growth of accountable care organizations, a key cost control strategy promoted under the federal Affordable Care Act.

"Consumers probably don't know whether their doctors and other health providers belong to an accountable care organization or not," said David Auerbach, the study's lead author and a policy analyst at RAND, a nonprofit research organization. "But these organizations are becoming more common and are a key to transforming [health care delivery](#) in the United States to a more-coordinated, high-quality and efficient system."

Accountable care organizations are networks of [health care](#) providers—doctors, hospitals and other health professions—that received financial rewards if they can cut costs while maintaining or improving the quality of patient care. The groups do not offer lower premiums to consumers, but hope to attract enrollees by offering better-quality care.

The RAND study, published in the October edition of the journal *Health Affairs*, is the largest thus far to examine the factors associated with the creation of accountable care organizations in the federal Medicare program.

RAND researchers analyzed 148 Medicare accountable care organizations announced in 2012. The groups include 2.3 million patients who account for 7 percent of the Medicare recipients enrolled in fee-for-service programs. Researchers also analyzed 77 private-sector entities that resemble accountable care organizations.

Researchers found wide variation in the geographic distribution of accountable care organizations, with large areas such as the Northwest essentially empty of the organizations. Meanwhile other regions, including the Northeast and the Midwest, are dense with the groups.

Factors associated with formation of accountable care organizations include a greater occurrence of payment risk sharing at hospitals, larger integrated hospital systems and [primary care physicians](#) practicing in large groups.

A region's average household income, per capita Medicare spending, enrollment in Medicare Advantage Plans and physician density were not associated with formation of accountable care organizations.

Provided by RAND Corporation

APA citation: Study tracks factors linked to creation of accountable care organizations (2013, October 7) retrieved 15 September 2022 from <https://medicalxpress.com/news/2013-10-tracks-factors-linked-creation-accountable.html>

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