

ACOs require overhaul to health care delivery system

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"The ACO model is a nice transition away from [the focus on volume over value]," said Timothy Peterson M.D., M.B.A., from the Physician Organization of Michigan ACO, according to the *Medical Economics* article. "But if we do our job well, it will eventually become impossible to cut costs out of the [health care](#) delivery system without risking compromising the quality of care provided."

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(HealthDay)—The accountable care organization (ACO) model requires an overhaul for health care delivery, according to an article published June 24 in *Medical Economics*.

The author of the article, Susan Kreimer, discusses why the ACO [model](#) has succeeded in some cases and failed in others.

According to Kreimer, the ACO model stresses quality and curbing costs while focusing on creating a healthier population. Incentives are created based on the population's use of services, encouraging ACOs to improve the quality of care for all its patients. Preliminary results seem positive for ACOs, although whether the improvements in quality measures will lead to cost savings remains to be seen. Major challenges are involved in acclimating to an ACO model, including overhauls to [health care delivery](#), technology systems, operations, and governance. Successful ACOs involve an integrated network of physicians, hospitals, and outpatient facilities, and address nonclinical factors. In addition, they have to balance financial accountability with devising a [care model](#) that works. An additional strategy classifies patients into risk-based segments and employs different clinical interventions in each group.

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