

ACOs Improve Quality

Are ACOs required to focus on quality of care?

- Yes. For ACOs to achieve any shared savings they must meet certain quality standards. This requirement promises that ACOs aren't simply denying care in order to lower spending. If quality standards aren't met, the ACO is denied shared savings regardless of how much they lowered costs.

What are the quality measures?

- There are currently 31 quality measures ACOs must report to participate in the Medicare ACO program. The measures include; medication reconciliation, screenings for fall risk, influenza vaccinations, weight screening and follow up, tobacco assessment and cessation intervention, screening for depression, cancer screenings, and health risk indicators like blood sugar control, cholesterol levels and blood pressure among others.

Have ACOs been successful in improving quality?

- Yes. In an [August 2017](#) report, the HHS Inspector General reported that in the first three years of the Medicare ACO program ACOs improved their performance on 82 percent of the individual quality measures compared to their baseline. After the first three years 98 percent of ACOs met or exceeded quality standards.

But are ACOs doing any better than other providers?

- Yes. In the same report the Inspector General found that ACOs outperformed fee-for-service providers on 81 percent of quality measures.

Looking Deeper

- **Readmissions:** A study published in the January 2017 issue of *Health Affairs* found that Medicare ACOs lowered hospital readmissions faster than hospitals not affiliated with an ACO. Non-ACO hospitals reduced readmissions from skilled nursing facilities (SNFs) by 13.1 percent while ACO hospitals reduced readmissions from SNFs by 17.7 percent. The data suggests ACO hospitals are doing a better job at communicating with SNFs, targeting at-risk patients or discharging more effectively.
- An ACO in the Chicago area implemented a simple but effective nutrition intervention to lower hospital readmissions. When malnourished patients are readmitted to a hospital the average cost is \$17,000, which is nearly \$6,000 more than the average hospital readmission. The ACO decided to provide every malnourished patient with a nutrition supplement within 24 hours of admission, nutrition education, and post-discharge instructions. The hospital also sent these patients home with coupons for oral nutrition supplements. This small intervention significantly reduced readmissions and lowered readmission costs for the hospital by 29.4 percent.
- An ACO in northern New Jersey implemented a mobility intervention program to address their readmission rates. The ACO determined that 15 percent of its readmissions could be attributed to "functional decline" or deterioration of physical mobility caused from a lack of physical activity while admitted in the hospital. The ACO developed a mobility intervention program to get patients out of bed and moving to keep up their strength so they were not going home weaker than when they came to the hospital. The study is ongoing but the ACO has been able to discharge more patients home who would otherwise be discharged to expensive nursing facilities.