

Accountable care organizations (ACOs) offer tremendous potential for primary care practices, clinics, and community health centers (CHCs) to improve clinical outcomes in a healthcare environment that is transitioning from fee-for-service to a value-based system.

As of 2021, more than 12.1 million traditional Medicare beneficiaries receive care within an ACO participating in the Medicare Shared Savings Program (MSSP), according to the Centers for Medicare and Medicaid Services (CMS), which has doubled down on its commitment to ACOs by launching the Pathways to Success program. This revamped version of MSSP enhances both the incentives and the imperatives for healthcare professionals to join ACOs so they can improve quality and embrace risk-bearing arrangements over time.

Not every ACO earns shared savings, though. CMS reports that in all, 67 percent of MSSP ACOs achieved shared savings in 2020. Of those, 88 percent of two-sided model ACOs (so named because they have the potential for shared savings or losses) earned shared savings payments, and 55 percent of one-sided model ACOs (potential for shared savings only) earned shared savings payments.

By coming together as a group and taking advantage of the larger support and resources of an experienced ACO, primary care physicians can successfully manage attributed patient populations; deliver high quality, cost-effective care; minimize administrative burdens; and increase revenues through shared savings.

The good news is that there is a tried and true path toward shared savings. By coming together as a group and taking advantage of the larger support and resources of an experienced ACO, primary care physicians can successfully manage attributed patient populations; deliver high quality, cost-effective care; minimize administrative burdens; and increase revenues through shared savings.

This progress is exciting and encouraging, but it also raises a critically important question for independent primary care organizations that are already engaged in this new model of care but have not found success in their current ACOs:

## When is it time to find a new ACO?

## 1. When the ACO has a poor track record in performance and shared savings

The primary objective of any ACO should be to deliver the highest quality care to patients; when that objective is at the core of the ACO's strategy and resources, the result should be increased shared savings revenues for the participating practices. Members should, if the ACO is appropriately focused on performance, achieve better outcomes for patients while meeting their financial targets.

By now, many ACOs have a clear record of past performance. According to the American Medical Association, in its 2019 toolkit for evaluating ACOs, an ACO's clinical, operational, and financial factors, such as its history with shared savings or losses, are critically important factors in determining whether an ACO will be a good partner for a practice. When that performance record is lacking, members may need to begin exploring exit options to safeguard their practices' futures.



Value-based care, and the possibility of shared savings, represents an opportunity for primary care physicians and practices to improve clinical outcomes while simultaneously establishing predictable revenues for their practices, thus securing their continued independence. At Aledade, we address issues like limited resources and administrative burdens head-on, shoulder-to-shoulder with practices in our ACOs, because we only succeed when they succeed.

 Kim Yu, MD, Aledade Regional Medical Director

## 2. When the ACO is not prepared to move toward risk with confidence

CMS's new Pathways to Success program is designed to ensure ACOs are prepared to shoulder financial risk over time. For ACOs to do that, however, they must have certain qualities in place, according to a 2018 Patient-Centered Primary Care Collaborative report:

- Physicians in leadership roles
- Experience with value-based care
- A commitment to reducing unnecessary emergency room visits, emphasizing primary care and managing high-risk patients.

An ACO that lacks these qualities should raise some red flags. Likewise if the ACO is currently in a one-sided risk model with no clear timeline for if and when it plans to take on more risk, or on the other hand when the ACO is moving too quickly toward risk without a strong infrastructure in place.



The combination of strategy, support, and access to data are at the core of truly effective value-based care. If an ACO cannot fully elaborate on their plan for putting those three pillars into action to move a practice forward, they might not be the partner you need right now. Starting over strong right now, with a partner that has proven experience and expertise in this area, will help to set practices up for long-term sustainability, independence, and success with value-based care.

- Dan Bowles, Aledade Chief Growth Officer

## 3. When the ACO does not provide practicelevel, data-driven tools and resources

Value-based care requires actionable insights into patient risks, spending, and clinical events. In successful ACOs, participants have the tools and resources that enable them to receive, analyze, and act upon this information in a timely manner so they can coordinate care, reduce unnecessary services, and stay ahead of rising risks.

ACOs that do not provide a comprehensive plan for implementing an integrated data aggregation and analytics platform are not adequately preparing their members to achieve the clinical improvements that can lead to shared savings.



When patient data is inaccessible or unusable to health care professionals, care coordination becomes nearly impossible, negatively impacting patient outcomes and causing increased costs of care. In today's health care landscape, where reimbursement is tied more and more to quality, not having that data can also have a negative effect on a practice's revenues. Data is a key component to finding success in value-based care. With our signature Aledade App, we put actionable, timely, user-friendly patient data into the hands of our partner physicians, and provide them and their staff with customized workflow training to help them maximize that data for better outcomes and improved revenues.

Rebecca Jaffe, MD, MPH, FAAFP, Aledade
Senior Regional Medical Director





Remaining in an ACO that does not prioritize performance, is not ready to move confidently toward risk, and does not deliver the tools and support a practice needs is not a strategy for success.

Being part of an ACO can bring significant benefits to independent primary care practices and CHCs, but only with the right ACO partner. Leaving an ACO is not a decision to be taken lightly; it is one that requires practices to perform thorough assessments of what their ACO promised, what it delivered, and how it is preparing - and protecting - their practices for the future.

ACOs that are experienced, transparent, and able to share data-driven insights with prospective partners are more likely to support meaningful quality improvement while helping member practices achieve their goals. Aledade's physician-led ACOs position independent primary care organizations of all sizes to deliver high quality care, strengthen patient relationships, and thrive financially. In addition to being a trusted resource for cutting-edge data and analytics and on-the-ground expert support, paired with a long track record of success in value-based care, Aledade's model offers customized downside risk potential and helps practices move toward risk with confidence.

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Aledade is different in that we achieve consistent, growing results by working with primary care practices. We know that when we give these practices the tools, resources, and support they need, they are going to thrive in value-based care. Identifying missed revenue opportunities through preventive care, implementing IT and analytics systems, providing people who can lead change management and practice coaching, navigating regulatory and policy changes—that's what sets Aledade apart. We provide that support so physicians can focus on what they do best: Taking care of their patients.

 Farzad Mostashari, MD, Aledade CEO and Co-Founder