



Pacific Business Group on Health Purchaser Principles for Accountable Care Organizations

Introduction:

The promise of an Accountable Care Organization (ACO) is to deliver improved quality care while moderating costs. Purchasers believe plan and provider organizations will achieve improvements in quality and care coordination only if performance is measured based on outcomes rather than process and structure, and if payment is based on quality rather than quantity. The composition and definition of ACOs may vary, but regardless of the model, a set of consistent principles should guide organizational goals and processes.

ACOs must be transparent. Sharing information about clinical performance and financial arrangements is critical to performance accountability. Participation in collaborative measurement and reporting performance at the level that matters for individual decision-making is essential to helping consumers access the right care at the right price based on their needs.

ACOs must be outcomes-focused. ACOs must apply metrics that hold providers accountable for evidence-based care that improves health outcomes and reward results rather than rely on measures of structure and process.

ACOs must be patient-centered. ACOs must use a patient-centered, team-based approach to care delivery and member engagement that supports shared decision-making between patients and providers. ACO performance measures must be relevant for and available to patients, and include cost and patient-experience.

ACOs must pay providers for quality, not quantity. ACOs should pay for quality and efficiency by using strategies like bundled payment, shared risk and gain-sharing to align incentives among physicians, medical groups and hospitals.

ACOs must address affordability and contain costs. ACOs must hold providers accountable for stewardship of health care resources by having specific objectives such as managing the cost trend increase to Consumer Price Index (CPI) plus one percent.

ACOs must support a competitive marketplace. ACOs must support competition and transparency, providing consumers with information about the relative performance, cost and efficiency of providers. ACOs should not be allowed to achieve the scale or market dominance that would permit price-setting or other anti-competitive practices.

ACOs must demonstrate meaningful use of health information technology. ACOs must require their providers to use health information technology for clinical decision support, clinical integration, and information exchange among providers and with members.