

# Study Snapshot:

## How ACO Organizational Characteristics Affect Preventive Care Quality: Lessons from ACOs' First Year

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### key findings

- ACOs at provider workforce extremes—few primary care providers (PCP) or many specialists—performed worse on measures of preventive care quality relative to those with more PCPs and fewer specialists.
- Upfront investment in ACO formation is associated with higher performance in preventive care quality.
- ACOs with a higher proportion of minority beneficiaries performed worse on disease prevention measures than did ACOs with a lower proportion of minority beneficiaries.
- ACOs facing barriers to quality performance may benefit from organizational characteristics such as electronic health record capabilities and hospital inclusion in the ACO.

### The Question:

Do ACOs' organizational characteristics affect the quality of preventive care?

During the past decade, preventive care in medicine has become a national priority. Coverage of preventive services has gained traction, exemplified by the Affordable Care Act's elimination of cost-sharing for all preventive services; however, provider performance and quality of care vary widely. Accountable Care Organizations (ACO) emerged as a novel payment model to create a coordinated health system whereby providers contract together to take collective responsibility for managing the cost and quality of care for a population of patients (Fisher et al. 2007). Preventive care is critical to ACO success. Evaluating ACOs' strategic choices in terms of their organizational structure and early performance provides an avenue to a better understanding of the factors behind preventive care quality. In a HCFO-funded study,<sup>1</sup> Valerie Lewis, Ph.D., of Dartmouth College and colleagues conducted a cross-sectional study examining Medicare Shared Savings Program and Pioneer ACO Program participants and the association between preventive care quality performance and ACO characteristics to inform strategies for preventive care quality management. The full results of the study are available in *Medical Care* and are described in the related *HCFO Findings Brief*.

### The Implications:

More balance in provider composition between primary care providers and specialists and upfront investment in ACO formation are associated with higher performance in preventive care quality.

Charged with managing the cost and quality of care for a population of patients, ACOs are incentivized to deliver high-quality preventive care. While only in their infancy, early evidence suggests that ACOs are beginning to improve quality and reduce costs. The study's findings indicate that the quality of preventive care is associated with several ACO characteristics, particularly the composition of providers in terms of the ratio between specialists and primary care providers (PCP) and upfront financing for ACO formation through the Medicare Advanced Payment Model. The researchers highlight that ACOs can improve preventive care quality by ensuring that all patients are connected to PCPs, especially providers serving many beneficiaries, helping to make certain that patients do not miss preventive services. Specifically, disease prevention measures, such as vaccine and cancer screenings, are more dependent on organization structure than are annual wellness screenings, likely due to the greater complexity of eligibility determination and service administration. Finally, evidence has shown the persistence of racial disparities in Medicare ACOs' quality (Anderson et al. 2014), and the researchers found that ACOs with a higher proportion of minority beneficiaries were associated with worse performance on disease prevention measures than were ACOs with a lower proportion of minority beneficiaries. Even though ACOs with fewer resources or more minority beneficiaries may face added barriers to performance, some of the organizational characteristics associated with improved performance, such as electronic health record capabilities and hospital inclusion, represent choices made during ACO formation.

### Contact Us

For more information on the results from this grant, please contact the principal investigator Valerie Lewis, Ph.D., at [valerie.a.lewis@dartmouth.edu](mailto:valerie.a.lewis@dartmouth.edu) or call (603) 653-0848.

<sup>1</sup> The Robert Wood Johnson Foundation Changes in Health Care Financing and Organization (HCFO) Initiative supports timely and policy relevant health services research on health care policy, financing, and organizational issues.

**If you would like to learn more about other HCFO-funded work, please contact: Bonnie J. Austin, HCFO Deputy Director | [bonnie.austin@academyhealth.org](mailto:bonnie.austin@academyhealth.org)**



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