HealthManagement.org
Promoting Management and Leadership

Accountable Care Organization Model Reduces Medicare Spending

A study published in *JAMA Internal Medicine* reports that a new Medicare payment model reduced the number of times patients received services providing little or no health benefit.

The researchers analysed Medicare claims data before and after the initiation of the Medicare Pioneer Accountable Care Organization (ACO) Program, an Affordable Care Act initiative that financially rewards health care provider groups who are able to keep their spending under a certain budget and are still able to achieve high performance on measures of quality of care.

"Doctors are in the best position to know what care is wasteful," says Aaron Schwartz, PhD, lead author of the study and a medical student at Brigham and Women's Hospital (BWH) and Harvard Medical School. "The ACO programme provides broad incentives to reduce spending rather than targeted incentives to cut any specific treatments,and doctors appear to have responded by delivering less wasteful care."

Previous analysis of the ACO model also found reduced Medicare spending and an improvement in quality in some areas without any deterioration in quality. This study also suggests that Pioneer ACOs have been successful at lowering spending and cutting back on wasteful healthcare services.

For the purpose of this study, researches analysed services provided from 2009 to 2012 using Medicare claims data. They measured the use of, and spending on, 31 services that are believed to have minimal clinical benefit. These include services like vertebroplasty, unnecessary imaging for back pain, headaches, and sinusitis, and preoperative testing before low-risk surgeries etc.

The findings show that patients served by ACOs experienced a greater reduction in the receipt of low-value services after the start of the Pioneer programme as compared to those who were not served by ACOs. The researchers estimate a 4.5 percent reduction in spending on low-value services with the implementation of the ACO programme. It was also observed that health care providers that had the greatest rate of low-value services prior to the ACO programme were able to demonstrate the greatest reductions. In addition, the researchers believe that patients who request low-value services do not serve as an obstacle under this model.

Source: JAMA Internal Medicine

Image Credit: Flickr

Published on : Sat, 26 Sep 2015

© For personal and private use only. Reproduction must be permitted by the copyright holder. Email to copyright@mindbyte.eu.