Accountable care organizations: Fad or game changer?

Accountable care organizations (ACOs), the latest attempt in a storied effort to stabilize spiraling health care costs, are a policy wonk’s dream of a solution to America’s health care challenges. But is the concept a fad or a real game changer?

Proponents of ACOs claim that global reimbursement for comprehensive service delivery—rather than a piecemeal approach to costly services—will result in improved care and higher value. Tightly integrated networks such as Kaiser and Geisinger, say supporters, are models of the efficiency and effectiveness ACOs will provide. Drivers of this revolution include CMS, cash-strapped states, and legions of insurers looking for the next big thing.

Skeptics, however, see this as déjà vu all over again—citing the disintegration of such managed care marvels as capitation, tightly controlled panels, and the alignment of patients, physicians, and hospitals. Critics also claim that the public has little appetite for narrowly defined networks. In addition, they say the challenges of developing effective and legal mechanisms of cooperation are daunting.

Who’s right?

I suspect that very few health systems, provider groups, or independent practice associations (IPAs) have the technical expertise, organizational culture, or will to undergo this sweeping transformation. While today’s physicians may be more willing to be employed by large health systems, how many systems are willing to share governance in a meaningful way, assure an appropriate balance of primary and specialty care, and give up their addiction to the star wars of medical technology? How many groups of specialty surgeons and family physicians are likely to work together? And how many truly effective IPAs have lasted over time?

I would advise family physicians interested in supporting their local ACO effort to consider the governance structure of their health care organization, and whether there is a tradition of bringing everyone to the table (or are the real deals made behind closed doors?). Among other considerations: How will allocation of resources be decided and savings be distributed? Is the medical home seen as the foundation of the ACO effort, or a barrier to its success? Is there a sufficient Medicare population?

What do you think? Will ACOs be a panacea or just another dead end? E-mail me your thoughts and experiences.