



Accrediting Highly-Qualified Accountable Care Organizations

Accountable Care Organizations (ACO) promise to deliver better quality care at lower costs. NCQA ACO Accreditation sets the “gold standard” for assessing whether an ACO can deliver on that promise. It shows providers how to become ACOs. It also reveals whether ACOs are qualified partners that insurers can rely on and regulators can deem.

The ACO idea is simple: ACOs coordinate doctors, hospitals and other health professionals to make sure people get all the care they need, while eliminating waste and inefficiency. Payments to ACOs reward quality and efficiency rather than the volume of services. Very important, however, is that in order to be eligible for enhanced payments, ACOs must demonstrate that they improve the quality of care. This helps to prevent ACOs from trying to save by skimping on quality or denying care that people need.

The ACO concept is growing in popularity. Many health care organizations claim that they are (or plan to become) ACOs. But what must an organization do to qualify as an ACO? Will everyone who claims to be an ACO have what it takes to be successful? How will public and private insurers determine whether to trust ACOs? These questions had many people describing ACOs as “unicorns”—mythical creatures that, alas, nobody has ever seen.

Accreditation Distinguishes Thoroughbreds From Unicorns. That is why the National Committee for Quality Assurance (NCQA) developed an accreditation program for ACOs. We worked with experts to develop rigorous, practical criteria to assess whether an ACO is likely to provide quality, efficient care. We specifically evaluate whether the ACO:

- Ensures access to and availability of care.
- Protects patient rights, including privacy.
- Has a solid foundation of patient-centered primary care.
- Has the necessary care management and coordination capabilities.
- Monitors practice patterns and uses performance data to improve quality.
- Uses decision supports to help patients and providers identify the best care.
- Has all the necessary stakeholder participation, structure, contracting and payment arrangements.

NCQA scores how prepared an ACO is to perform these essential functions. We provide three increasing levels of accreditation as ACOs become more adept at coordinating and being accountable for quality, efficient care.

As with all NCQA programs, we will continually raise the bar to drive further improvement over time. This is important because even the most efficient, high-quality provider entities can, and must, do better.

Accreditation Is a Roadmap to Becoming ACOs. NCQA Accreditation criteria are transparent. They show health care professionals what capabilities they must have to succeed as ACOs. They, however, do not dictate *how* to transform—that can depend on local market conditions and culture. The flexible criteria can accommodate a variety of different structures and payment arrangements. They are prescriptive only where there is strong evidence or consensus, such as the need for patient-centered care and protecting patient rights.

In fact, ACOs are where patient-centered medical homes (PCMH) were 6 years ago. As with ACOs now, there was much interest in PCMHs but little clarity about how they work and what to expect of them. NCQA developed a consensus-based PCMH recognition program that gives providers a roadmap that shows what they need to do to become PCMHs. The results are astounding. More than 3,000 practices, with 15,000 providers, are now NCQA-recognized PCMHs. A growing body of evidence documents that PCMHs deliver better quality at lower cost with happier patients and providers.^{1,2,3} Substantial overlap between our ACO and PCMH programs means that organizations with a solid PCMH foundation are already well on their way to being strong ACOs.

Accreditation Lets Purchasers Know and Deem ACOs. NCQA Accreditation demonstrates to all payers, both public and private, that an ACO can be accountable for improving the quality and efficiency of care. Federal, state and private payers can trust that accredited ACOs are capable partners. We specifically designed our program so federal and state regulators can deem accredited ACOs as meeting most of their requirements. In particular, NCQA Accreditation closely parallels Medicare’s Shared Savings Program rules for ACOs.

Deeming by Medicare and other payers reduces the burden on insurers and regulators, as well as on ACOs, to show that ACOs meet their rules. That helps to conserve resources all around. Deeming NCQA Accredited entities is already a widespread practice for managed care plans in Medicare and many states.

We Are Off to a Strong Start. In just its first two months, our accreditation program’s education seminar sold out and we received six early adopters. They include the Billings Clinic (MT); Children’s Hospital of Philadelphia (PA); Crystal Run Healthcare (NY); Essentia Health (MN); Health Partners (MN); and Kelsey-Seybold Clinic (TX). We expect many more to follow.

Policymakers can learn more about NCQA ACO Accreditation from Sarah Thomas, NCQA Vice President for Public Policy, at 202-955-1705 or at thomas@ncqa.org. Providers and others can learn more by emailing us at aco@ncqa.org

¹Milliman. January 2012. *Analysis of Community Care of North Carolina Cost Savings*.

²Takach. July 2011. Reinventing Medicaid: State Innovations to Qualify and Pay for Patient-Centered Medical Homes Show Promising Results. *Health Affairs*.

³Cassidy. September 2010. Patient-Centered Medical Homes. A new way to deliver primary care may be more affordable and improve quality. *Health Affairs*.