



FACT SHEET

Accrediting High Quality 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 consumers and 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 necessary stakeholder participation, structure, contracting and payment arrangements.

NCQA scores how prepared an ACO is to perform these essential functions. We provide three levels of accreditation as ACOs become more adept at providing 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.

ACOs are where patient-centered medical homes (PCMH) were 6 years ago. There was much interest 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 on how to become PCMHs. The results are astounding. More than 27,500 clinicians at over 5,500 sites are now NCQA-recognized PCMHs. Evidence documents that PCMHs deliver better preventive health, disease management, and resource use,¹ reduce hospital and emergency department admissions and provide a solid return on investment,² reduce income-related disparities in care,³ and improving patient satisfaction while reducing provider burn-out.⁴

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.

Off to a Strong Start. We now have six NCQA accredited ACOs: Kelsey-Seybold Clinic, Houston, TX; Billings Clinic, Billings, MT; Crystal Run Healthcare, Middletown, NY; Health Partners, Bloomington, MN; Children’s Hospital of Philadelphia, PA; and Essential Health, Duluth, MN. Interest in ACO Accreditation is growing and we expect many more to follow.

Policymakers can learn more 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 contacting Catherine Leape, Assistant Director, Recognition Programs, at leape@ncqa.org or visiting our ACO web page at <http://www.ncqa.org/Programs/Accreditation/AccountableCareOrganizationACO.aspx>.

¹ *Impact of Medical Homes on Quality, Healthcare Utilization, and Costs*, DeVries et al, American Journal of Managed Care, September 2012

² *Colorado PCMH Multi-Payer Pilot Reduced Inpatient Admissions, ER Visits & Demonstrated Plan ROI* Harbrecht, Health Affairs, September 2012

³ *PCMH Improves Low-income Access, Reduces Inequities*, Berenson, Commonwealth Fund, May 2012

⁴ *The Group Health Medical Home At Year Two: Cost Savings, Higher Patient Satisfaction and Less Burnout For Providers*, Soman et al, Health Affairs, May 2010