

The Rundown on ACOs: All You Need to Know



WHAT IS AN ACO?

An ACO, or Accountable Care Organization, is a type of health care organization characterized by a payment and care delivery model that aligns financial interests of health care providers with the goals of decreasing spending and increasing the quality of care for patients.

Put simply, an ACO is a network of health care and service providers that have agreed to be held accountable for the cost and quality of care for a group of patients.

HOW DO ACOs WORK?

ACOs provide a structure within a value-based care (VBC) model where providers are incentivized to maximize cost efficiency and long-term health outcomes, not volume of services rendered. This approach eliminates unnecessary tests, procedures, prescriptions, and hospital interventions. ACOs have the same goals with varying structures. Some are Independent Physician Associations (IPAs), independent hospital groups, the government via the Centers for Medicare and Medicaid Services (CMS), or allied provider organizations.

WHAT DO ACOs DO?

ACOs provide their network of healthcare professionals with software, information, and devices to improve communication and patient data flow. They ensure ACO standards for patient health improvement and experience are met. Further, they actively search for ways to make treatments cheaper, more accessible, or more efficient in delivery.