
Characteristics and Performance of ACOs and Accountable Physician Groups: What Does the Evidence Tell Us?

The Council of Accountable Physician Practices (CAPP) engaged the Institute for Accountable Care (IAC) to review recent literature to assess the current state of research on the characteristics and performance of accountable care organizations (ACOs) and accountable physician groups. CAPP has promoted five elements as essential to accountable care: coordinated care, outcomes-based payment, health information technology, physician leadership and quality improvement. This review focuses primarily on the first two elements.

Much of the recent literature on accountable care has focused on ACOs. This review defines accountable care more broadly than ACOs and considers the performance of organized physician groups, integrated health systems and Medicare Advantage programs. We focus on studies of programs that aim to improve outcomes for populations and with payment models tied to a global budget target. More focused initiatives such as episode-based payments, primary-care medical home (PCMH) and pay-for-performance programs are not reviewed here. We supplement some findings from the literature with our own observations based on publicly available data on Medicare accountable care programs. The review is organized into six sections:

- Multispecialty group characteristics and performance
- ACO organizational structure and characteristics
- Risk sharing and financial arrangements
- Care redesign and quality improvement
- Financial performance
- Medicare Advantage

We conclude each section by summarizing what we believe to be major gaps in the current research literature that could be considered for a future research agenda.

SECTION 1: MULTISPECIALTY GROUP CHARACTERISTICS AND PERFORMANCE

We begin this review with a brief overview of the characteristics of physicians and physician groups, which are the foundation of accountable care programs. Over the past two decades, health care markets have experienced a wave of mergers, both horizontal and vertical. Over time, the