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Ways to mitigate risk in accountable care organization models

Accountable care organizations (ACOs) keep growing in number and popularity. Whether you own or are considering acquiring one, you need to understand how to mitigate the management and organizational risks in this risk-sharing model.

Find the right mix of providers

Signing providers who are a good fit for an ACO model is key to coordinating patient care to reduce costs and improve outcomes. They should prioritize preventative care, proactively interact with patients throughout their care journey, monitor and identify health issues as early as possible, and minimize hospital readmissions.

Implement appropriate data infrastructure

The data infrastructure should enable the exchange of up-to-date information across providers and include strong data analytics capabilities. It should compile information from various sources (e.g., specialists, hospitals, skilled nursing facilities, pharmacies, primary care providers, and even providers outside ACO network) to help minimize redundant or unnecessary care.

Balance concentration of patients among providers

If one or two providers in the network have an overly large share of patients and revenue, it could present several risks if those providers were to leave. Avoid these risks by balancing the patient concentration among providers.

Hire the right number of providers

Having a wide network of low-cost, high-quality providers can help to keep patients in-network for more of their care, making it easier to track care, outcomes and costs. A good mix of providers should include both specialists and primary care physicians that are well-distributed geographically to provide convenient care options.

Keep watch on post-acute care costs

Post-acute care is one of the biggest potential cost areas, with some of the largest variations in cost and quality of care. This is particularly noted in skilled nursing facilities, where higher quality care often translates to lower length of stays, and thus lower costs.