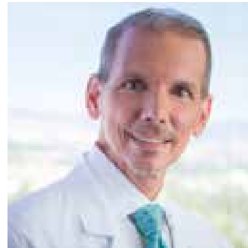
The Post-Election Future of ACOs



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The Affordable Care Act (ACA) was signed into law by President Barack Obama on March 23, 2010. The motivation was to increase access to healthcare, reduce healthcare costs, and improve healthcare quality. A number of important provisions from the law and its implementation have since impacted the complexion of healthcare in our nation, including funding for education in the various health professions, elimination of preexisting condition penalties, enhancements to Medicaid programs, development of state-based exchanges, extended insurance coverage for children until age 26 on parental health plans, and the implementation of healthcare reform activities—most notably, the creation of accountable care organizations (ACOs).[1]

An ACO is an organization formed to drive value in healthcare by improving quality and reducing cost for an assigned population of patients.[2] As of March 2016, The Leavitt Partners' databases tracked a total of 840 current ACO contracts across the nation.[3] Of this number, 477 had been established by CMS and participate in 1 of the 4 existing CMS models.[3] The Medicare Shared Savings Program (MSSP) is one of the most notable models and allows for providers to split any savings difference from a spending target with CMS. This savings incentive is one mechanism designed to help practitioners to change their behaviors to achieve better patient outcomes.

During his campaign, President-elect Donald J. Trump threatened to repeal the ACA on "day 1" of his administration if he were to be elected president.[4] For ACO leaders, health delivery networks, and participating physicians, this now raises questions about what the future holds for our programs and coordination of patient care. Overall, we believe that it is unlikely for the provisions of the ACA to be repealed in their entirety. What is likely, however, is that some elements may be eliminated (eg, Medicaid expansion, cost-sharing reduction payments); others may be redesigned, renamed, or reconstituted; and a few new provisions will likely be added (eg, block-granting Medicaid, tax deductions and subsidies for the use of health savings accounts).

Whether or not these changes take place, we believe that the continued evolution to value-based care will likely persist, as the need to continuously drive quality improvement and cost reductions in healthcare will remain a national priority. Thus, although the term "ACO" may ultimately disappear, the tenets of a value-driven health system will continue so that Americans may receive the quality of healthcare they deserve at a cost that is commensurate with outcome. In addition, other provisions of the ACA, such as funding for educa-

tion in the health professions, preexisting condition exclusions, and child health insurance (eg, CHIP), will also likely endure.

The rationale underlying our opinion is that 2 substantial healthcare problems will continue to persist, with or without the existence of an ACA repeal: substandard quality and high cost with rising expenditures. The Organization for Economic Cooperation and Development (OECD), which produces a survey that compares 34 member countries on a range of measures, such as lifespan and infant mortality, places life expectancy in the United States at 27 out of 34 OECD countries.[5,6] This information is even more compelling when followed with the fact that the United States still spends more than any of the other 34 countries, by at least 7.5%, on healthcare expenditures, accounting for 16.9% of its GDP.[6] The enactment of the ACA was one attempt to address these issues. Thus, the removal of many core ACA provisions raises concern about the ability to continue driving our health system in the direction of cost-effective interventions that also assure access for un-/underinsured members of the population. It is critical that any form of an ACA repeal be replaced with that which may continue targeting these substantial US health problems.

Conclusions

The recent election has many implications for the future of healthcare in our nation. We believe that the proposed changes, presented by the President-elect, will directly impact the future of ACOs and the grounds on which they operate. Having said this, we also strongly believe that, independent of any health system change, 3 key circumstances will continue to need to be addressed: 1) a move from volume-based care to value-based care, that incorporates appropriate screening, wellness and prevention at the individual level; 2) substandard quality and rising costs will remain a macro issue within our nation that needs to be addressed; and finally, 3) independent of the types of decisions or provisions changed by the next administration regarding ACOs, our hope is that they continue to support the tenets that built the ACA and its core components including efforts aimed at improving access and the ability to address quality and cost at the population level.

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