

# Thinking about joining an ACO? What your practice needs to know

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Staff News Writer

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Accountable care organizations (ACOs) can be an attractive option for physicians looking to retain their independence while benefiting from collaboration with others delivering patient care. Finding success in ACOs requires careful planning and substantial knowledge about current realities of ACOs, which have rapidly matured since their debut less than 10 years ago.

Three important topics physicians should consider when evaluating an ACO include risk, data access and physician obligations under the agreement. These topics and other considerations are covered in the AMA's 17-page guide, "Accountable Care Organizations: How to Perform Due Diligence and Evaluate Contractual Agreements."

The guide includes model contract language that physicians can use to strategically evaluate opportunities and negotiate important contract terms.

## Understand the downside risk

ACOs present physicians with a unique opportunity to share in various financial incentives and benefits based on performance. Under the Pathways to Success Rule, Medicare Shared Savings Program ACOs are now required to taking on risk within five years or less, depending on the ACO's revenue.

Non-Medicare ACOs have their own requirements regarding downside risk, and physicians should "ask questions about the timeline to move to risk, the process to decide to move to risk or take on more risk, physician involvement in these decisions, ACO participants' right to leave the ACO if the level of risk becomes too high, and whether the ACO is investing in strategies to reduce the likelihood of shared losses."

## Request the right data

According to the guide, “physicians should understand the contents, frequency, and quality of data that they will receive through the ACO. At minimum, the ACO should provide participating physicians with claims data regarding their patients who are attributed to the ACO.”

To set up ACO participants for success, the data analysis collected and generated by the ACO “should include information about services provided to their patients from other ACO-participating clinicians and facilities as well as those that do not participate in the ACO.”

## Know your obligations

As ACO participants, physicians should understand that the ACO can set terms of obligation as a condition of participation.

As stated in the guide, “The ACO also may require periodic capital contributions from its Participants, including the physician practice, in order to fund ongoing operations. Physicians should also keep in mind that ACOs are paid fee-for-service, and if a practice needs to provide new services like after-hours access and care management, it must determine how to support the personnel providing these additional services.”

Physicians must understand what rights and obligations belong to the ACO, and what rights and obligations they as an ACO participant are responsible for.

In addition to the 17-page guide, the AMA has developed a snapshot on accountable care organizations that covers topline issues.

For physicians interested in potential ACO participation, the AMA has also created a model checklist that identifies top issues for physicians to consider early in the due diligence and negotiation process,

The AMA has developed additional payment resources to guide physicians on transitioning to value-based care.