

Affordable Care Act Medicare payment reforms improve patient experiences

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Beneficiaries enrolled in Accountable Care Organizations, a payment model that allows provider groups to share in the savings when they reduce Medicare patient spending and improve quality of care, reported improved satisfaction with their care in the first year of the program.

Accountable Care Organizations (ACOs), a key Medicare payment reform component of the Affordable Care Act, are designed to improve [patient experience](#) and quality of care and to reduce [health care](#) spending. The two ACO programs under the ACA, the Pioneer program and the Medicare Shared Savings Program, launched in 2012, expanded rapidly through 2013 and 2014, and now serve about 5.6 million Medicare beneficiaries, representing about 11 percent of the Medicare population.

This study, conducted by researchers in the Harvard Medical School Department of Health Care Policy, is the first to measure the early impact of the program on the experiences of [patients](#) enrolled in ACOs. The findings are published today in the *New England Journal of Medicine*.

"As payment moves away from fee-for-service toward incentives to limit [health care spending](#), we found no evidence of deteriorating patient experiences in ACOs. In fact, ACOs achieved meaningful improvements for patients in some key areas," said lead author of the study J. Michael McWilliams, associate professor of [health care policy](#) and medicine at HMS and Brigham and Women's Hospital. "The improvements that we

found in patient experiences constitute important initial progress in fostering high-quality, patient-centered care in Medicare."

The improvements were concentrated in areas that organizations may more easily modify through the implementation of new scheduling, referral or information systems. For example, beneficiaries served by ACOs reported significant improvements in timely access to care, perceived coordination of their care and access to their medical information.

In contrast, there were no significant improvements in how ACO patients rated their individual physicians or their physicians' communication skills. Improvements in those areas may be harder to achieve and slower to manifest because they require changes in physician behavior, the authors wrote.

The greatest improvements occurred among the most medically complex quarter of patients, those with multiple illnesses who are the focus of ACO efforts to improve quality and lower costs. In this group, improvements in overall ratings of care were equivalent to moving an ACO from average performance to being in the top 4 to 18 percent of ACOs.

The ACO programs operate in the traditional Medicare fee-for-service model, where providers are paid for each medical service they provide. In order to save costs, physician groups and hospitals in an ACO must provide fewer or lower-cost services. If the care that they cut is important to patients, patient experiences could suffer. If the care is important to patient health, other quality metrics and patient outcomes could deteriorate. Thus, Medicare ACO contracts include incentives both to slow spending and improve quality of care, including several measures of patient experience.

Using Medicare claims and linked data from the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey, an ongoing nationwide survey of patient experiences in Medicare, the researchers compared the patient satisfaction of 32,000 beneficiaries served by ACOs with those of 250,000 beneficiaries served by other providers. Comparing demographically and geographically matched groups, they estimated the change in patient experience that couldn't be attributed to other ongoing changes in the health care system.

Taken with preliminary reports from the Centers for Medicare and Medicaid Services that suggest some evidence of modest financial savings from the ACO program, the researchers said that their findings suggest that ACOs might be a viable way to realize benefits for patients while controlling spending.

"While these early findings are encouraging, there is a pressing need for regulatory and legislative changes to strengthen ACO incentives, expand provider participation in new payment models and address potential downsides of provider integration, such as higher prices," McWilliams said. "Our study suggests a promising start, but there is a long road ahead."

Provided by Harvard Medical School

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