

## Accountable Care Organization (ACO) Voluntary Alignment

### Encouraging Medicare beneficiaries to self-identify as ACO patients

**Agency Objective.** Encourage Medicare beneficiaries to identify and align with their main health care providers in Accountable Care Organizations (ACOs).

**Background.** By tying payments to care outcomes, ACOs can save money while potentially improving patient health.<sup>59</sup> ACOs led to an estimated \$1.29 billion in total savings since 2012.<sup>60</sup> However, the success of the ACO model requires identifying and matching Medicare beneficiaries to an ACO who will be held accountable for their care. Traditionally, beneficiaries have been prospectively aligned with ACOs based on past claims data. This type of alignment, based on past claims rather than an affirmative choice by the beneficiary, can lead to turnover based on evolving patterns of patient claims, which in turn can lead to instability in the patient population for which ACOs are accountable.

**Methods.** To address the issue of turnover in ACO patient populations, the Center for Medicare and Medicaid Innovation (CMMI) tested a new method for alignment called *voluntary alignment*, which asks beneficiaries to identify their main doctor. As part of this effort, CMMI and OES collaborated on the design and test of the letter and form by which beneficiaries would voluntarily align. The test varied both the length and the content of the introductory letter, as well as the inclusion or exclusion of the Centers for Medicare and Medicaid Services (CMS) logo, to identify the best way to communicate about voluntary alignment. The test was conducted in 2014 among beneficiaries at five participating Pioneer ACOs. Letter variants were randomized at the individual level, and were sent to 119,512 beneficiaries in total.

**Results.** The overall response rate to the letter was 37.2 percent. The overall confirmation rate among those responding was 94 percent. There were not substantial differences in response rates across the letter designs; response rates ranged from 35.6 to 38.3 percent. The only pairwise difference that was statistically significant was between the letters with the lowest response rate (short letter without the Medicare logo) and the highest (long letter without the Medicare logo) ( $p < 0.05$ , 95% CI [0.019, 0.035]). Confirmation rates were somewhat higher for beneficiaries sent the longer letter—35 percent, compared with 31 and 33 percent for the shorter letter (without and with the logo, respectively).

**Conclusions.** The project indicated the operational feasibility and potential for voluntary alignment of ACO patient populations. Based on this pilot, CMMI has continued to refine this approach to alignment, and voluntary alignment as a supplement to claims-based alignment is included as part of the Next Generation ACO model and the Medicare Shared Savings Program Track 3.<sup>61</sup> The variations in letter and form designs did not lead to significantly different responses from Medicare beneficiaries.

<sup>59</sup> Hoangmai H. Pham, Melissa Cohen, and Patrick H. Conway, "The Pioneer Accountable Care Organization Model: Improving Quality and Lowering Costs," *JAMA* 312 (2014):1635–1636.

<sup>60</sup> <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2016-Press-releases-items/2016-08-25.html>

<sup>61</sup> See the description of beneficiary alignment here: <https://innovation.cms.gov/Files/fact-sheet/nextgenaco-comparefactsheet.pdf>. See description of the Track 3 program here: <https://www.cms.gov/newsroom/mediareleasedatabase/fact-sheets/2015-fact-sheets-items/2015-06-04.html>.