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## **Joint Principles for Accountable Care Organizations Released by Organizations Representing More Than 350,000 Primary Care Physicians**

*Principles provide guidance on the structure of ACOs and the possible payment models to make them successful*

WASHINGTON — Four physician membership organizations today released “[Joint Principles for Accountable Care Organizations](#)” (ACOs). Care delivered through ACOs may help improve quality of care, increase efficiency, and reduce overall health care spending.

The four groups – the American Academy of Family Physicians (AAFP), the American Academy of Pediatrics (AAP), the American College of Physicians (ACP) and the American Osteopathic Association (AOA) – represent some 350,000 physicians. The family physicians, pediatricians, internists and osteopathic physicians represented by the four organizations provide the vast majority of primary care services to children, adolescents, and adult patients in the United States.

“The AOA is honored to join with the other primary care physician organizations in support of new principles for accountable care organizations. The fact that the organizations representing a majority of the nation's primary care physicians have unified behind these principles signals our belief that, if implemented correctly, accountable care organizations can improve the health of patients and the viability of the health care delivery system,” said Karen J. Nichols, DO, president of the American Osteopathic Association.

The 21 principles describe important aspects to consider when building the administrative structure of ACOs, as well as how payment should be facilitated. The four organizations developed the principles through an extensive collaborative process to reflect those attributes they believe are essential for the effective implementation of the ACO model within the health care system. The principles state that primary care should be the foundation of any ACO and that the recognized patient and/or family-centered medical home is the model that all ACOs should adopt for building their primary care base.

The new joint principles define key characteristics of effective accountable care organizations. The principles include:

### **Structure of the ACO**

- They provide accessible, effective, team-based integrated care based on the [Joint Principles of the Patient Centered Medical Home](#) for the defined population they serve.
- They demonstrate strong leadership among physicians and other health care professionals.
- Organizational relationships and all relevant clinical, legal, and administrative processes within ACOs are clearly defined and transparent.
- They include processes for patient and/or family panel input in relevant policy development and decision making.
- They include a commitment to improving the health of the population served through programs and services that address needs identified by the community.
- They provide incentives for patient and/or family engagement in their health and wellness.

- Participation by physicians, other healthcare professionals, and patients/families is voluntary.
- Nationally-accepted, reliable and validated clinical measures are used to measure performance and efficiency and evaluate patient experience.
- They implement clinically integrated information systems to provide relevant information at the point of care and assist in care coordination.
- Barriers to small practice participation are addressed and eliminated.
- They are adequately protected from existing antitrust, gain-sharing, and similar laws that currently restrict the ability of providers to coordinate care and collaborate on payment models.
- They promote processes to reduce administrative complexities and related unnecessary burdens.

### **Payment**

- The payment models and incentives implemented align mutual accountability at all levels.
- The payment models and incentives implemented adequately reflect the relative contributions of participating physicians and other health care professionals.
- The payment models used recognize effort required to involve family, community/educational resources and other pertinent entities and activities related to care management/care coordination of patients with complex conditions.
- Recognition and rewards for the ACO's performance are based on processes that combine achievement relative to set target levels of performance.
- Practices participating within ACOs that achieve recognition as medical homes by NCQA or other nationally accepted certification entities should receive additional financial incentives.
- The structure adequately protects ACO physicians and other health care professional participants from "insurance risk."
- They employ a variety of payment approaches to align the incentives for improving quality and enhancing efficiency while reducing overall costs.

The joint principles for Accountable Care Organizations may be found at

[http://www.aafp.org/online/etc/medialib/aafp\\_org/documents/policy/private/healthplans/payment/acos/20101117.Par.0001.File.tmp/AAFP-ACO-Principles-2010.pdf](http://www.aafp.org/online/etc/medialib/aafp_org/documents/policy/private/healthplans/payment/acos/20101117.Par.0001.File.tmp/AAFP-ACO-Principles-2010.pdf).

The AAFP, AAP, ACP and AOA have sent their joint principles to the Centers for Medicare and Medicaid Services' (CMS) to encourage their use as CMS outlines ACO demonstration projects, as well as to guide related ACO activities offered through the newly established CMS Center for Medicare and Medicaid Innovation.

"On behalf of patients, the AAFP is pleased to join our medical specialty colleagues in outlining principles to guide the development of accountable care organizations," said Roland Goertz, M.D., MBA, FFAFP, president of the AAFP. "If implemented correctly, ACOs may help improve quality and efficiency of care and reduce costs while strengthening the patient-physician relationship in the context of a patient-centered medical home."

"The AAP urges adoption of these principles by governments, payers, providers and all others who are involved in the health, well-being and success of America's children and their families," said O. Marion Burton, MD, FAAP, President of the AAP. "Maintaining the patient-centered and family-centered medical home as the anchor, these principles, if followed, allow for optimal integration, care coordination and patient management across the spectrum of clinical services. The result is getting all the care that is needed, when it is needed, how it is needed without duplicity, redundancy, insensitivity or unnecessary costs."

The Medicare Payment Advisory Commission (MedPAC) has called for the testing of the ACO model, and the recently passed health care reform legislation allows physicians and other health care

professionals to organize as ACOs under Medicare beginning in 2012. The same legislation also establishes a pediatric demonstration project that allows qualified pediatric providers to choose to be recognized and receive payments as ACOs under Medicaid.

In summary, ACP President J. Fred Ralston Jr., MD, FACP emphasized, "The consideration of these joint principles in developing accountable care organizations will help ensure that the care provided will be patient-centered, effectively integrated and of high quality."

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Founded in 1947, the [AAFP](http://www.aafp.org) represents 94,700 physicians and medical students nationwide. It is the only medical society devoted solely to primary care. To learn more about the specialty of family medicine, the AAFP's positions on issues and clinical care, and for downloadable multi-media highlighting family medicine, visit [www.aafp.org/media](http://www.aafp.org/media). For information about health care, health conditions and wellness, please visit the AAFP's award-winning consumer website, [www.FamilyDoctor.org](http://www.FamilyDoctor.org).

The [American Academy of Pediatrics](http://www.aap.org) is an organization of 60,000 primary care pediatricians, pediatric medical subspecialists and pediatric surgical specialists dedicated to the health, safety, and well being of infants, children, adolescents and young adults. For more information, visit [www.aap.org](http://www.aap.org) and [www.healthychildren.org](http://www.healthychildren.org). Follow the AAP on Twitter at <http://twitter.com/AmerAcadPeds>.

The [American College of Physicians](http://www.acponline.org) is the largest medical specialty organization and the second-largest physician group in the United States. ACP members include 130,000 internal medicine physicians (internists), related subspecialists, and medical students. Internists specialize in the prevention, detection, and treatment of illness in adults. Follow ACP on [Twitter](https://twitter.com/ACPOfficial) and [Facebook](https://www.facebook.com/ACPOfficial).

The [American Osteopathic Association](http://www.osteopathic.org) proudly represents 70,000 osteopathic physicians (DOs) practicing in 31 specialties and subspecialties, promotes public health, encourages scientific research, serves as the primary certifying body for DOs and is the accrediting agency for all osteopathic medical schools and health care facilities. More information on DOs/osteopathic medicine can be found at <http://www.osteopathic.org/>.