Emergency Department Involvement in Accountable Care Organizations in Massachusetts: A Survey Study

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Study objective: We assess Massachusetts emergency department (ED) involvement and internal ED constructs within accountable care organization contracts.

Methods: An online survey was distributed to 70 Massachusetts ED directors. Questions attempted to assess involvement of EDs in accountable care organizations and the structures in place in EDs—from departmental resources to physician incentives—to help achieve accountable care organization goals of decreasing spending and improving quality.

Results: Of responding ED directors, 79% reported alignment between the ED and an accountable care organization. Almost all ED groups (88%) reported bearing no financial risk as a result of the accountable care organization contracts in which their organizations participated. Major obstacles to meeting accountable care organization objectives included care coordination challenges (62%) and lack of familiarity with accountable care organization goals (58%). The most common cost-reduction strategies included ED case management (85%) and information technology (61%). Limitations of this study include that information was self-reported by ED directors, a focus limited to Massachusetts, and a survey response rate of 47%.

Conclusion: The ED directors perceived that the majority of physicians were not familiar with accountable care organization goals, many challenges remain in coordinating care for patients in the ED, and most EDs have no financial incentives tied to accountable care organizations. EDs in Massachusetts have begun to implement strategies aimed at reducing admissions, utilization, and overall cost, but these strategies are not widespread apart from case management, even in a state with heavy accountable care organization penetration. Our results suggest that Massachusetts EDs still lack clear directives and direct involvement in meeting accountable care organization goals. [Ann Emerg Med. 2017;70:615-620.]

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INTRODUCTION

Background

Accountable care organizations have been established in the form of commercial contracts and federal programs, largely as a response to the escalating cost of care associated with fee-for-service payments. With respect to the emergency department (ED), accountable care organization contracts, by setting targets to control overall spending, establish incentives to reduce use, including discretionary hospital admissions and testing under direct control by the ED.[1] Massachusetts has been ahead of the curve in both commercial and Medicare accountable care organization contracting. Blue Cross Blue Shield of Massachusetts implemented the alternative quality contract, a commercial accountable care organization contract, in 2009, with 85% of network providers enrolled by 2012.[2] Provider organizations in Massachusetts were also among early entrants into Medicare accountable care organization programs, including the Medicare Shared Savings Program and Pioneer accountable care organization model.[3,4]

There have been general guidelines developed for ED directors on the concept of accountable care organizations, yet there is little information about how emergency medicine or independent practice groups fit into accountable care organizations.[5] Concerns exist about the uncertainty that emergency physicians face within accountable care organizations, including the elimination of traditional fee-for-service payments, the potential loss of independence, and financial costs from patients' being directed away from EDs.[5] Conversely, there is optimism

Editor's Capsule Summary

What is already known on this topic

Accountable care organizations create operational efficiencies incentives to provide high-value health care.

What question this study addressed

To what extent are emergency physicians included in accountable care organizations?

What this study adds to our knowledge

In this survey of emergency department (ED) directors from 33 of the 70 EDs in Massachusetts, approximately three quarters (79%) reported participation in an accountable care organization, although most (58%) were not familiar with accountable care organization goals and almost all (88%) reported no financial risk as a part of participation.

How this is relevant to clinical practice

Maximizing health care efficiency, including care coordination, requires inclusion of the ED in delivery system reform initiatives.

about the potential for collaboration, improved patient care, and cost savings in the ED and observation units if payers engage more with emergency physicians.[5] However, to our knowledge there have been no research studies evaluating ED directors' or emergency physicians' understanding of accountable care organizations.

Importance

The experience in Massachusetts with both federal and commercial accountable care organization contracts and the potential influence of the ED on costs within the accountable care organization provide a unique and instructive opportunity to assess ED engagement with accountable care organizations in a state with high levels of accountable care organization activity.

Goals of This Investigation

The study aimed to establish an understanding of ED involvement in accountable care organizations in Massachusetts. Secondarily, the study assessed strategies (eg, observation units, ED case management, clinical pathways) and incentives used within EDs as potential means to manage financial risk and reduce health care spending.

MATERIALS AND METHODS

Members of our research team developed an online survey (Appendix E1, available online at http://www.annemergmed.com) based on a review of current literature and understanding of basic accountable care organization structure and incentives. The survey was then modified according to input solicited from community and academic ED directors. The survey was distributed through a list-serve and e-mail to ED directors at 70 Massachusetts hospitals that were included on the contact list of the Massachusetts College of Emergency Physicians. For health systems with multiple EDs, the director of each ED was surveyed because supporting infrastructure may differ widely within a single network. We placed multiple reminder e-mails and telephone calls to ED directors to maximize the number of responses, which we collected during a 5-month period.

The survey assessed ED characteristics, emergency physician practice type, accountable care organization structure (eg, vertical integration with hospitals and physician groups, hospital/physician only), physician compensation, and degree of alignment with an accountable care organization. We did not specify a definition of an accountable care organization in the survey. ED directors responded according to whether they believed their ED was aligned with any form of an accountable care organization, including through a hospital or independent physician practice. The survey explored challenges to accountable care organization participation, as well as reasons for lack of association for EDs not aligned with an accountable care organization. The study was approved by the Beth Israel Deaconess Medical Center Institutional Review Board.

RESULTS

Characteristics of Study Subjects

Of 70 hospitals in the sample, ED directors from 33 (47%) responded, spanning different geographic regions, hospital sizes, and mix of community and academic sites. Although the response rate was limited, the responding EDs represented approximately half of all hospital discharges (including a sum of inpatient, ED, and observation discharges) in the state in fiscal year 2013.[6] The hospital characteristics are shown in Table 1. Of all survey respondents, 79% reported alignment with an accountable care organization, indicating that the ED was participating in a contract or was part of a preferred accountable care organization network. Hospital size ranged from 22 to 1,010 licensed inpatient beds. Average annual ED volume ranged from 14,500 to 120,000 visits. Larger hospitals (greater than 500 inpatient beds) were