

# HPC DATAPOINTS

An ACO-verview: Key Insights from HPC-Certified Accountable Care Organizations

The HPC's ACO Certification Program has established **all-payer standards** for care delivery since **2017**

**17 Certified ACOs** collectively provide care to more than **three million patients** across the Commonwealth

## INTRODUCTION

Accountable care organizations (ACOs) remain an important driver of care delivery transformation in the Commonwealth of Massachusetts. ACOs are groups of physicians, hospitals, and other health care providers who provide patient-centered, coordinated care, with the goal of improving quality and reducing health care spending growth. Through its [ACO Certification Program](#), the Massachusetts Health Policy Commission (HPC) has established all-payer standards for care delivery since 2017 and has continued to provide information to the public on the structures and operations of these organizations. The ACO Certification program, in alignment with other state agencies including MassHealth, is designed to accelerate care delivery transformation in Massachusetts and promote a high-quality, efficient health system.

This issue of the HPC's DataPoints series provides key facts about the 17 ACOs that were recertified by the HPC in either December 2023 or December 2024 ("Certified ACOs"), with a focus on their risk contracts and the care delivery innovations made possible by them. More background information about the Certified ACOs can be found in other HPC publications, including the [ACO Profiles](#) and [ACO Program Strategy Summaries](#). These publications aim to promote transparency and contribute to public understanding of the evolving care delivery system in Massachusetts.

This is a printable version of DataPoints. The online version features interactive graphics that show additional information, and is available on the HPC's website at [masshpc.gov/publications/datapoints](https://masshpc.gov/publications/datapoints).

## ACO LEAP CERTIFICATION

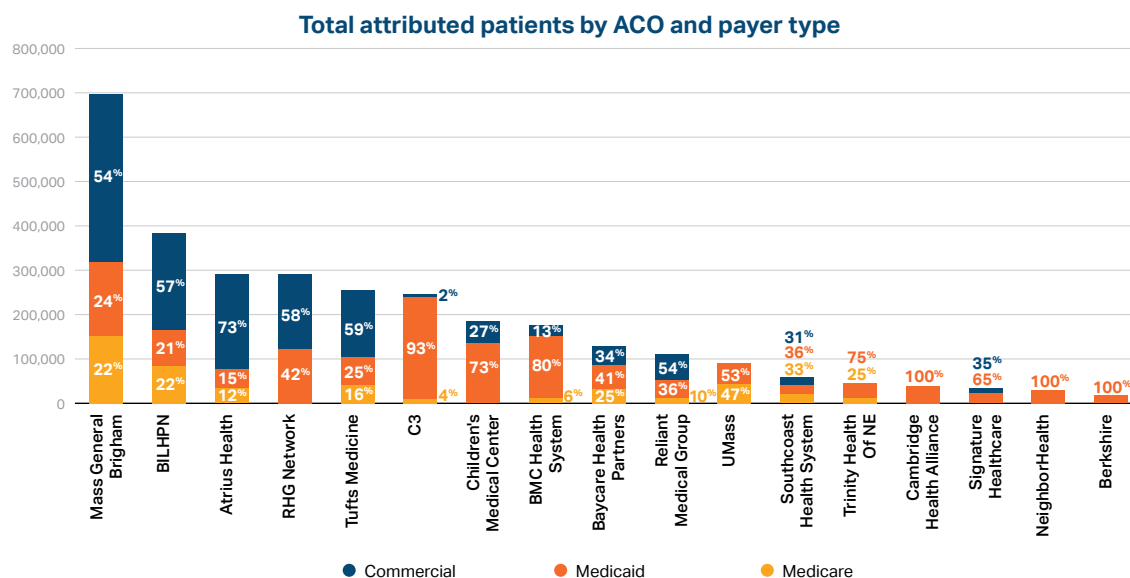
The HPC made its first significant update to the ACO Certification program in 2021, with the introduction of the Learning, Equity, and Patient-Centeredness (LEAP) standards. Recognizing the ACO model as a catalyst for learning and improvement among health care organizations, the [LEAP standards](#) focus on core ACO capabilities that demonstrate a commitment to patient-centered care, use of evidence-based and data-driven strategies to improve care delivery, and addressing long-standing health inequities.

The 17 Certified ACOs collectively provide care to more than three million patients across the Commonwealth.<sup>1</sup> They vary substantially in size based on



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number of attributed patients, from just over 30,000 ACO-attributed patients to nearly 700,000. All have risk contracts in place with MassHealth, and most have at least one additional risk contract with either a commercial payer or Medicare. Most (nine ACOs) are anchored by an academic medical center or teaching hospital, and four others include at least one community hospital. Four ACOs are physician organization-led with no hospital participants.<sup>2</sup>



## EVOLUTION OF RISK CONTRACTING

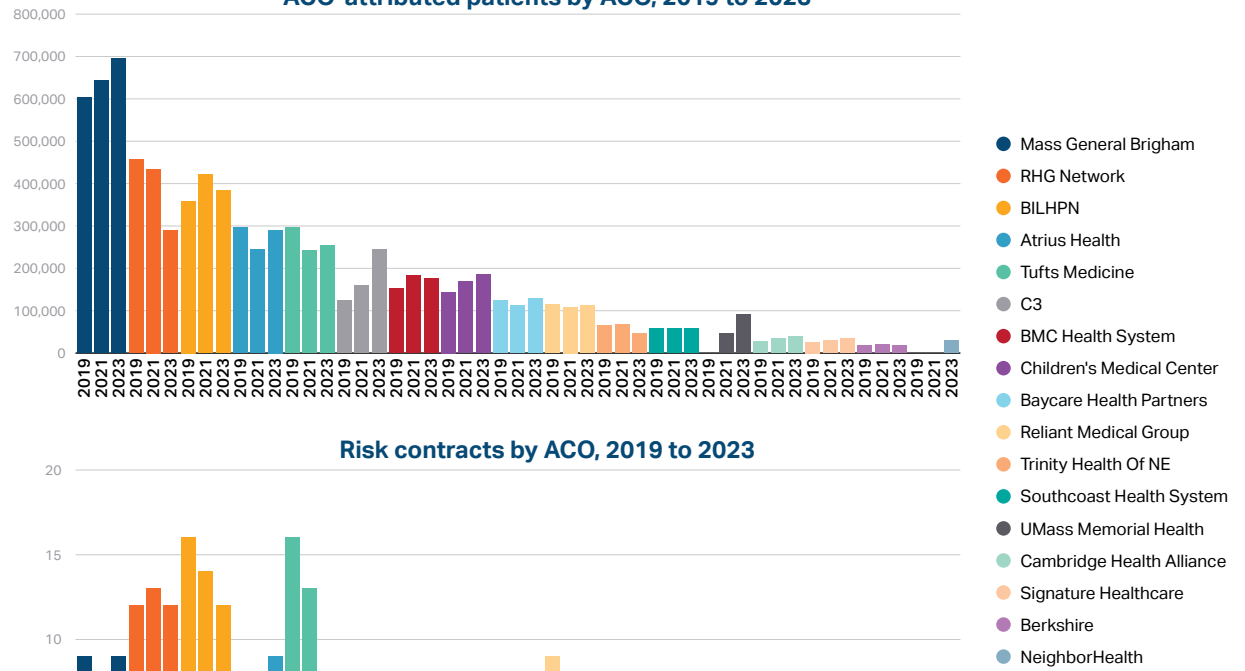
Global budget-based risk contracts (“risk contracts”), a form of alternative payment methodology (APM), are a critical component of the ACO model. By setting budget targets for spending on the ACO’s attributed population and allowing the ACO to share in savings (“surplus”) achieved relative to that target, risk contracts financially reward ACOs for delivering high-value care.<sup>3</sup> Because value-based care delivery central to the ACO model, holding one or more risk contracts is a pre-requisite of HPC ACO certification.

Data on Certified ACOs’ risk contracts is collected at the time of application for ACO Certification. Comparable information is available for each two-year certification cycle going back to 2019. Overall, the risk contracting landscape for Certified ACOs has been stable in recent years, with a relatively constant number of risk contracts and ACO covered patients over the lifetime of the ACO Certification program. Notably, two-sided risk—under which ACOs are able to retain under-budget savings and are also responsible for paying back a portion of any spending in excess of its budget (“deficit”)—is nearly universal in those risk contracts, providing a stronger incentive to contain costs than one-sided, or “upside-only,” risk contracts.

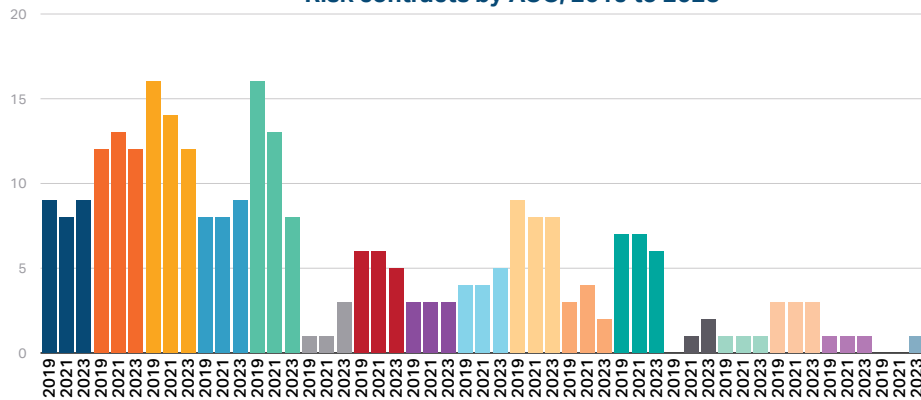
Since 2019, the payer mix for risk contracts held by the 17 re-certified ACOs has shifted slightly. In 2019, ACO patients were evenly split between commercial and public payer risk contracts; by the fall of 2023, 56% were enrolled in the latter, reflecting overall growth in MassHealth enrollment and declining commercial insurance enrollment over this period. Throughout the lifetime of the ACO Certification program, the large majority of commercial ACO patients have been enrolled in HMO or POS risk contracts. These products make it relatively easy to attribute patients to a primary care provider (and thus to the ACO in which that provider participates) because they require patients to declare or be assigned to a primary care provider. PPO contracts, by contrast, generally attribute patients to ACOs based on methodologies that consider which provider the patient sees most frequently. Additionally, by not requiring referrals to see specialists, PPO products de-emphasize the role of the primary care provider in managing care relative to HMO or POS products. Likely due to these factors, PPO risk contracts are less common, though they have grown in prevalence among the Certified ACOs—from 10 contracts covering 314,000 in 2019 to 14 contracts covering 449,000 patients in 2023.

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ACO-attributed patients by ACO, 2019 to 2023



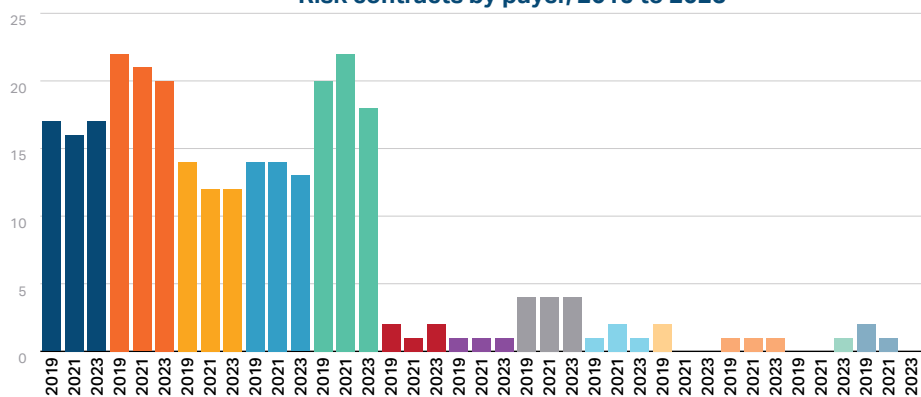
Risk contracts by ACO, 2019 to 2023



ACO-attributed patients by payer, 2019 to 2023

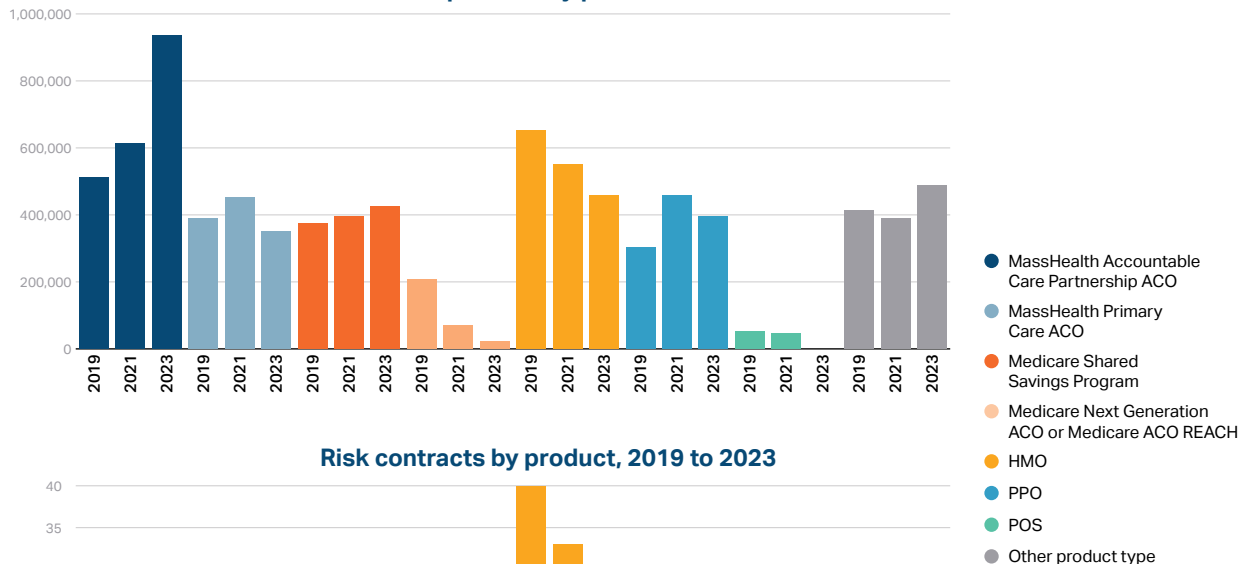


Risk contracts by payer, 2019 to 2023

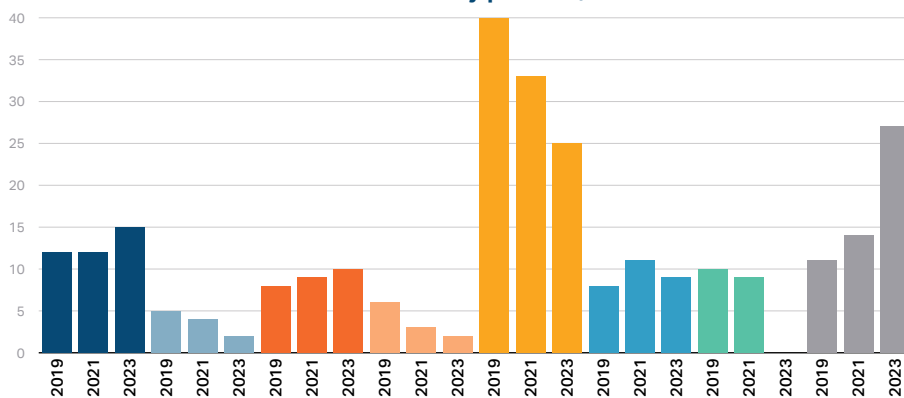


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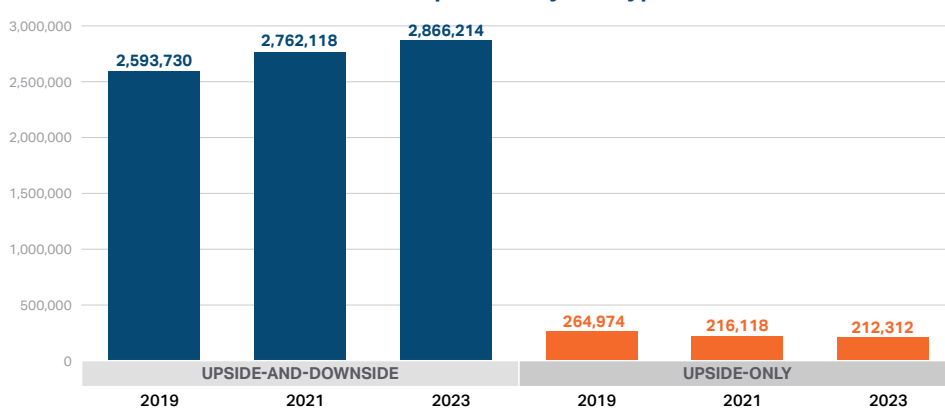
ACO-attributed patients by product, 2019 to 2023



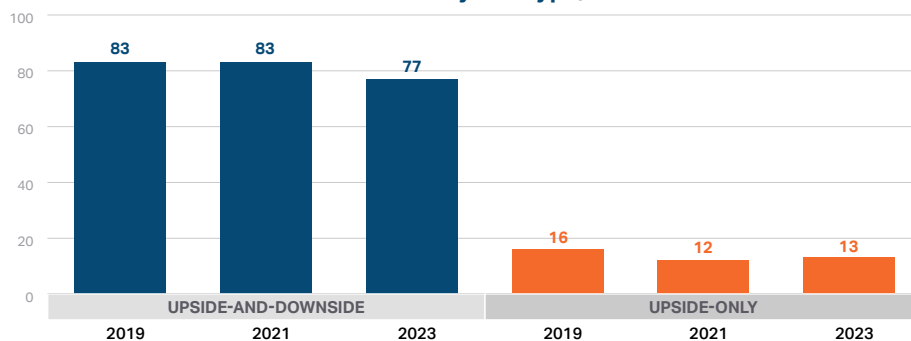
Risk contracts by product, 2019 to 2023



ACO-attributed patients by risk type, 2019 to 2023



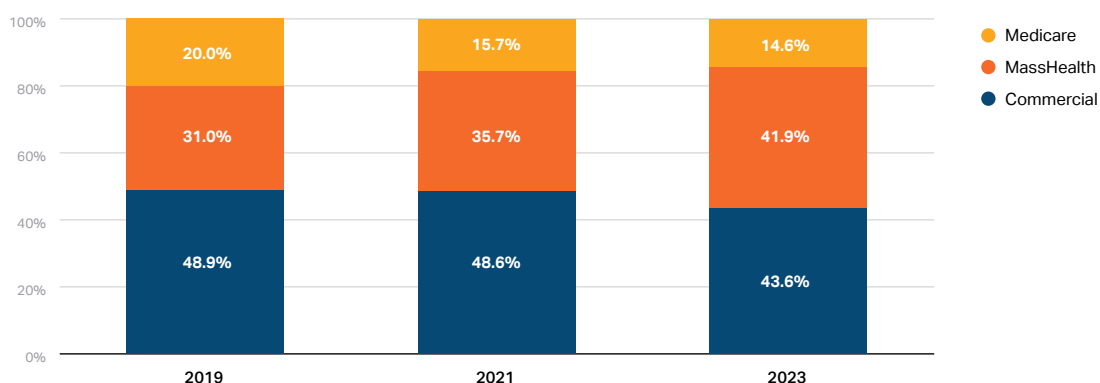
Risk contracts by risk type, 2019 to 2023



Quality incentives specifically linked to health equity have begun to be incorporated into risk contracts

ACOs indicated risk contracts have enabled a patient-centered medical home model, whole-person care delivery, and the use of new care modalities

ACO-attributed patients by payer type, 2019 to 2023



In recent years, quality incentives specifically linked to health equity—e.g., reducing disparities in quality performance across patients of different races, ethnicities, or primary languages—have begun to be incorporated into risk contracts, driven largely by programmatic changes in [MassHealth’s ACO program](#) and [Blue Cross Blue Shield of Massachusetts’ Alternative Quality Contract](#). Payment incentives linked to quality performance to ensure cost savings are achieved by delivering higher-value care have long been a key feature of risk contracts. Under these incentives, the ACO’s performance on key quality metrics either determines eligibility for an additional bonus payment or impacts the proportion of savings or deficits in which the ACO shares. However, while these incentives have historically focused on a variety of process-of-care and health outcomes measures, the incorporation of equity-related incentives is a new development. (See the [Quality Measure Catalog](#), which compiles all measures in use in risk contracts in order to assess payer adherence to the [Massachusetts Aligned Measure Set](#).)

## INSIGHTS ON CARE DELIVERY TRANSFORMATION AND INNOVATIONS

Risk contracts are intended to enable ACOs to pursue changes to care delivery that prioritize health management and high-value care, such as for example by rewarding quality, efficiency, and cost savings. As part of HPC ACO Certification in 2023 and 2024, ACOs were given an opportunity to provide an open-ended response identifying the most important innovations or changes to care delivery made possible by risk contracts.

In response, nearly all of the Certified ACOs pointed to the creation and maintenance of population health and care management interventions, or better access to payer data that provides the insights needed to monitor and coordinate care for patient populations. Such population health management programs—which are a requirement of ACO Certification—utilize a variety of staff types, some embedded in primary care settings, to focus on managing population health, navigating care transitions, and coordinating care. These programs generally engage a variety of roles, including patient navigators and Community Health Workers, as part of interdisciplinary care teams. Similarly, some ACOs indicated that risk contracts have enabled the continuation of a patient-centered medical home model for primary care, whole-person care delivery that includes behavioral health services, and the use of new care modalities.

Certified ACOs were also asked to identify the areas in which their performance targets have been most difficult to achieve and describe why. ACOs cited a variety of challenges that have inhibited their cost containment and quality improvement efforts, including: patient access issues stemming from capacity constraints; workforce issues, including provider turnover and recruitment challenges; and challenges linked to the rise of new modalities of care, such as the proliferation of virtual visits at which vital signs

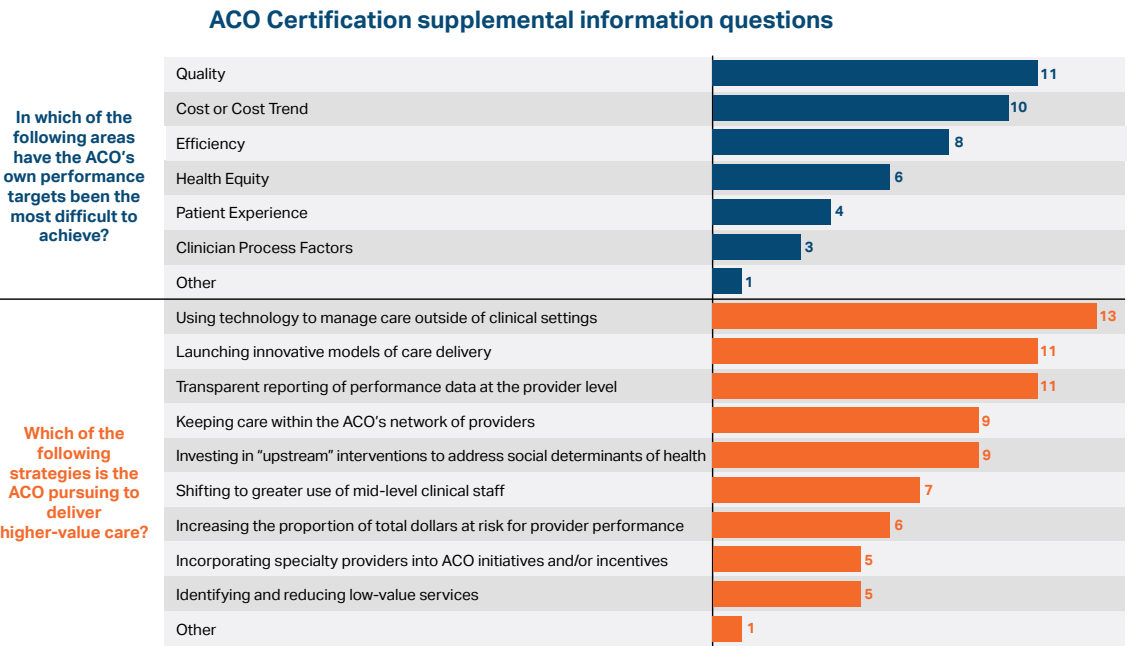
**The Massachusetts Health Policy Commission (HPC)**

is an independent state agency working to improve the affordability of health care for all residents of the Commonwealth. Through data-driven analysis, actionable policy insights, public accountability, and innovative investments, the HPC seeks to improve health care delivery, lower costs, and reduce health disparities.

**HPC DataPoints** is a series of online briefs that spotlight new research and data findings relevant to the HPC’s mission to drive down the cost of health care. It showcases brief overviews and interactive graphics on relevant health policy topics. The analysis underlying these briefs is conducted by HPC staff. To view all HPC DataPoints, visit our [website](#).

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are not collected. Other areas in which a significant proportion of the Certified ACOs have struggled to meet their own targets have been in reducing health disparities, due in part to challenges or delays in collecting patient demographic data, and efficiency, due to factors like patient boarding in emergency departments and the challenges of influencing utilization in facilities or specialists outside of the ACO.



Finally, Certified ACOs were asked to share their strategies for delivering higher-value care. The most common strategies (pursued by nine or more Certified ACOs) were: using technology, through remote monitoring or ‘hospital at home’ programs, to manage care outside of clinical settings; launching innovative models of care delivery like those described above; deploying transparent reporting of provider performance data, including by benchmarking against peers within the ACO; and keeping care within the ACO’s network through referral management strategies.

**CONCLUSION**

The 17 ACOs re-certified by the HPC in 2023 and 2024 under the LEAP standards collectively serve more than three million patients across the Commonwealth. These Certified ACOs participate in numerous public and commercial risk contracts, the vast majority of which include downside risk. Through these value-based payment arrangements, ACOs are driving delivery system innovations and strategies to deliver higher-value care, even as ACOs navigate challenges in meeting quality and cost targets. Insights gained from the HPC’s ACO Certification program show that the ACO model continues to be an important vehicle for care delivery improvement in the Commonwealth.

**Endnotes**

- 1 17 Massachusetts ACOs were recertified under the LEAP standards at the end of 2023, while three Certified ACOs (Health Collaborative of the Berkshires, LLC, NeighborHealth Corporation, and UMass Memorial Health, Inc) were recertified at the end of 2024. All data from the latter three ACOs are from 2024. The names of some Certified ACOs have changed over time; all names used in the accompanying graphics are as of 2025.
- 2 These classifications are used in the HPC’s profiles of Certified ACOs and build on the hospital categories employed by the Center for Health Information and Analysis in its [FY21-Massachusetts-Hospital-Profiles-Technical-Appendix.pdf \(chiamass.gov\)](#).
- 3 The payment methodology used in the vast majority of risk contracts reported through ACO Certification is fee-for-service reimbursement reconciled against a budget. A small number of risk contracts have incorporated capitation payments.