NCQA’s Accountable Care Organization (ACO) Accreditation program provides an independent evaluation of organizations’ ability to coordinate the high-quality, efficient, patient-centered care expected of ACOs, and helps providers make the challenging—though much-needed—transition to ACOs.

NCQA’s approach to developing the ACO Accreditation program began with lessons learned from the successful delivery of its acclaimed patient-centered medical home (PCMH) program. We incorporated elements of that program into ACO accreditation, recognizing that excellent primary care is the foundation of good health care.

NCQA believes that while evaluating results is critical, it is also necessary to assess ACOs against evidence-based criteria. These measures can provide clarity to organizations about the key steps and components needed for successful transformation, and can help to identify ACOs that have the infrastructure needed to achieve the “triple aim”: better experience, better health and lower cost.
Why NCQA ACO Accreditation?

- **Serves both providers and payers.** NCQA’s ACO Accreditation provides a roadmap for provider organizations to demonstrate their capability to function as ACOs. The program can also be used by public and private payers that seek to distinguish among organizations offering to be accountable providers.

- **Aligns purchasers with common expectations.** NCQA’s ACO Accreditation program aims to align health plan, employer and state and federal purchaser expectations to create leverage for prompting organizations to transform how they provide care. ACO accreditation helps determine if an organization has the infrastructure for accountability.

- **Offers transparency and drives quality improvement.** As a voluntary program, ACO accreditation signals an organization’s intent to be transparent about its capabilities and performance. Accredited ACOs will be transparent about performance-based payment arrangements with providers. NCQA requires ACOs to publicly report their performance and to provide performance reports to providers for quality improvement. Not only is transparency important as a concept, it is also the foundation for initiating improvement in the measures.

NCQA ACO Accreditation Eligibility

Program eligibility criteria determine the organizations that may come through the ACO accreditation program. NCQA considers an organization’s scope and the types of providers it includes in its network. How providers are organized as accountable entities varies by a region’s existing practice structures, population needs or local environmental factors. Entities that provide and perform relevant functions are eligible for NCQA ACO Accreditation and include, but are not limited to:

- Providers in group practice arrangements
- Networks of individual practices
- Hospital-provider partnerships or joint ventures
- Hospitals and their employed or contracted providers
- Publicly governed entities that work with providers to arrange care
- Provider-health plan partnerships or joint ventures.

Regardless of structure, eligible entities must have a strong foundation of patient-centered primary care.

What are Accountable Care Organizations, and what do we want them to achieve?

Accountable Care Organizations (ACOs) are provider-based entities that have come together with the shared goal of taking responsibility for improving quality of care and reducing cost growth for a population. ACOs have the potential to achieve better quality at lower cost by aligning incentives to promote coordination and transform health care delivery across the spectrum of providers who participate in a patient’s care.
NCQA ACO Accreditation includes three levels, representing varying degrees of capability for coordinating care and reporting and improving quality.

- **Level 1:** This level indicates organizations that are in the formation/transformation stage but have not yet reached full ACO capability. They have the basic infrastructure and possess some of the capabilities outlined in the standards. The length of this status is two years, reflecting the expectation that organizations will be reevaluated to see if they have increased capabilities.

- **Level 2:** This level indicates organizations with the best chance of achieving the triple aim. At this level, entities demonstrate a broad range of ACO capabilities. The length of this status is three years.

- **Level 3:** This level indicates organizations that have achieved Level 2 and demonstrate strong performance or significant improvement in measures across the triple aim. The length of this status is three years.

**ACO Educational Assessment**

NCQA offers an Educational Assessment for organizations in the early stage of ACO development or that are not currently pursuing accreditation. It provides an organization a chance to dialogue with NCQA about its performance against the standards and to receive an in-depth review of areas to improve.

**Why are ACOs important? What’s in it for me?**

The coordinated, integrated care that a well-performing ACO provides helps different stakeholders in different ways.

- **For Patients:** ACOs focus on patient needs and preferences to give patients the care they want, the way they want it; and to help unite the medical home with a larger community of health care providers.

- **For Providers:** ACOs are an efficient mechanism for providers to collaborate to deliver better care. In some ACO programs, providers may benefit from financial savings resulting from better health care.

- **For Plans and Purchasers:** ACOs align the clinical and financial incentives of their providers. Clinicians work together seamlessly to coordinate care for patients, with the goal of simultaneously improving quality and reducing costs. The ACO model enables plans and purchasers to increase the value of health care dollars.
NCQA ACO Accreditation Program Requirements

NCQA ACO Accreditation includes two major components: standards, an evaluation of an ACO’s structure and processes; and measures, an evaluation of an organization’s capability to report performance results in clinical care, patient experiences of care and measures of cost, utilization and efficiency.

NCQA ACO Accreditation Standards

1. ACO Structure and Operations
   The organization clearly defines its organizational structure, demonstrates its capability to manage resources and aligns provider incentives through payment arrangements and other mechanisms to promote the delivery of efficient and effective care.

2. Access to Needed Providers
   The organization has sufficient numbers and types of practitioners to provide timely and culturally competent primary care, specialty care, urgent/emergency/inpatient/long-term care; and community and home-based services.

3. Patient-Centered Primary Care
   The primary care practices in the organization’s network act as medical homes for patients and offer patient-centered care.

4. Care Management
   The organization collects, integrates and uses data from various sources for care management, performance reporting and identification of patients for population health programs. The organization provides resources to patients and practitioners to support care management activities.

5. Care Coordination and Transitions
   The organization facilitates timely exchange of information between providers, patients and caregivers to promote safe transitions.

6. Patient Rights and Responsibilities
   The organization informs patients about the role of the ACO and its services. It is transparent about its clinical performance and any performance-based financial incentives it offers to practitioners.

7. Performance Reporting and Quality Improvement
   The organization measures and publicly reports performance on clinical quality of care, patient experience and cost measures. It identifies opportunities for improvement and helps providers and stakeholders collaborate on improvement initiatives.

NCQA ACO Measures

As part of ACO accreditation, organizations are expected to monitor patient experience and up to 40 measures of clinical quality and cost. Organizations must be able to collect and report these measures to reach Level 2 Accreditation. Organizations must be able to show strong performance or significant improvement on these measures to reach Level 3 Accreditation.

Automatic Credit for NCQA Recognized Patient-Centered Medical Homes

Organizations with 70 percent or more of patients receiving care from NCQA-Recognized PCMH practices will automatically receive 17 points credited towards the ACO Accreditation Standard addressing Patient-Centered Primary Care.
Organizations seeking NCQA ACO Accreditation must complete an application. Information provided in the application will be used to determine eligibility. For more information about ACO Accreditation, free application materials or to purchase ACO products, visit www.ncqa.org/aco.aspx or call NCQA Customer Support at 888-275-7585 or e-mail aco@ncqa.org.

Why does accrediting ACOs matter?

Accreditation brings clarity and order to a crowded, fluid field.

For patients, accreditation includes important patient protections. Accreditation helps patients identify providers who are dedicated to providing the care they need, when they need it.

For purchasers and providers, accreditation is an indicator of organizations that have the potential to be effective partners. High standards help identify groups that are likely to succeed as ACOs.

For ACOs, accreditation is a way of standing out in the crowd.

To learn more, please visit www.ncqa.org/aco.aspx or contact NCQA Customer Support at 888-275-7585.