Survey Reveals Hospital Executives Reluctant to Implement ACO Models

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Only 20 percent of executives have implemented an ACO-like model at their hospital

According to a survey conducted by Purdue Healthcare Advisors, a non-profit health-care consulting organization, 46 percent of hospital executives have no plans to implement an Accountable Care Organization (ACO)-like model in the near future.

Conducted in October 2013 among 206 hospital executives at a director level and above, the survey underscores the challenges hospitals are facing as well as the strategies they intend to implement in 2014 to comply with the changes brought on by the Affordable Care Act.

According to the survey, executives are waiting for ACO models that are more stable and mature to avoid having to reinvest funds to implement changes or updates. Executives who do not have plans to implement an ACO model in the future (46 percent) cited the following reasons:

- More than half (52 percent) feel there are too many unknowns and want to see stronger evidence and a consistency of successful models
- Almost half (49 percent) feel their hospital is too small for an ACO-like model
- 26 percent cite that the financial investment outweighs the potential incentives or bonuses at this time
- 13 percent feel the performance benchmarks are not realistic for their hospital
- 4 percent are concerned that the transition would overwhelm staff

The survey also reveals that executives are struggling with finding solutions for lower reimbursements and increased costs, while still maintaining an acceptable level of quality care. “Hospital executives are charged with enhancing patient care and managing margins with a shrinking workforce and diminishing patient volumes,” said Mary Anne Sloan, director of Purdue Healthcare Advisors (PHA). “This survey has identified a significant need for advocacy and
education to support hospitals and help them survive the wave of changes brought on by the Affordable Care Act.”

After working primarily in the state of Indiana since 2005, PHA has expanded consulting services to four additional states: Kentucky, Ohio, Illinois and Michigan. PHA will work with hospitals and health-care providers of all sizes in the four new markets, providing services in Healthcare IT (security and EHR adoption), Lean Six Sigma, and Public and Population Health.

To read the full news release, visit http://www.pha.purdue.edu/news/survey.

The survey was conducted online within the United States by Resolution Research on behalf of Purdue Healthcare Advisors among 206 hospital executives -- director level or above -- from October 24, 2013 to October 30, 2013. This survey has a sampling error of plus or minus 6.8 percentage points with a 95 percent confidence interval.