

**NEWS**

# ACO beneficiaries most likely to land in high-quality nursing homes

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Medicare patients enrolled in an accountable care organization were most likely to be referred to a high-quality nursing home, much more so than patients in the Medicare Advantage program or even those covered by traditional Medicare.

That's likely because higher-quality SNFs, those earning 4 or 5 stars overall in federal ratings, make up a higher proportion of skilled nursing providers in ACO networks, said Huiying Wang, a post-doctoral research associate at Brown University's Center for Gerontology and Healthcare, whose work on the topic was published recently in the *Journal of the American Geriatrics Society*.

Wang and co-authors compared placements of all Medicare beneficiaries discharged from hospitals and admitted to SNFs between 2013 and 2018, when their data set ended. During that period, the share of patients admitted to nursing homes while in an ACO increased from 7.6% to 20.2%, while the share of MA enrollees increased from 25.2% to 32.8%.

The study found that patients whose care was attributed to an ACO were "consistently" the most likely to enter high-quality nursing homes. Conversely, Medicare Advantage beneficiaries – who accounted for 54% of the Medicare population by 2024 – were least likely to be discharged to a 4- or 5-star facility.

Those findings were sustained regardless of whether beneficiaries had Alzheimer's disease or related dementias, Wang told *McKnight's Long-Term Care News* Thursday. That adds to a growing body of research raising concerns about the quality of post-acute care that residents with dementia receive. A late 2024 study found that 23% of traditional Medicare beneficiaries were discharged from hospitals to nursing homes with one or two stars, compared to 18% of patients without dementia.

While Wang said ACOs are not necessarily a driver of quality, they may deliver access to better care for their patients as they seek both quality and efficiencies to meet their cost-saving mandate from the federal government.

## Incentives still lacking

Theoretically, that could help nursing homes that are in-network or partnered with such an organization. ACOs incentivize some providers financially for helping meet organization-wide care quality benchmarks, though few extend those payments to nursing homes. In a survey of 138 ACOs published by the Institute for Accountable Care in December, only 77 reported having a preferred SNF network, and 91% of those did not offer SNFs a financial incentive for participation.

Instead, those incentives are typically awarded to primary care physicians who enroll their patients in a particular ACO. The American Health Care Association and others have advocated for a larger role for nursing homes, given that they often become most responsible for a patient's care near the end of life.

The Institute for Accountable Care survey showed that the number of ACOs with SNF networks is growing, with 38% formed in 2018 or 2019. To get in-network, most required cost and quality data sharing, automatic notification of patient admission or discharge (53%), and meeting length-of-stay targets.

ACOs in the survey also expressed concern about the availability of high-quality SNFs, which means working toward better outcomes and higher Centers for Medicare & Medicaid Services ratings could pay off for providers in the way of new relationships and increased volume.

## Calls for more MA transparency

The opposite could also be true for those who find themselves overrun by MA plans and reimbursement rates that have shriveled far below fee-for-service Medicare.

"They're trying to steer the enrollees to low-quality SNFs, probably because low-quality SNFs mean lower payments," said Wang, whose *JAGS* paper was co-authored by Cyrus Kosar, assistant Professor of Health Services, Policy and Practice at Brown, and Vincent Mor, PhD, Brown's Florence Pirce Grant University Professor of Health Services, Policy and Practice.

"MA networks might have lower quality SNFs compared to other networks, and second of all, they're trying to steer the patients to lower-quality SNFs intentionally," Wang added. "And third, MA enrollees have some overwhelming decisions to make. There are so many MA plans."

She said her study adds weight to others' calls for more transparency about specific plans, their networks and their coverage practices — a recent focus of consumers, Congress and CMS.

"These results underscore the need for further investigation into how payment models influence care quality and access, particularly for vulnerable populations," the Brown researchers wrote.