

***How Medicare ACOs  
restrict care and  
offer dangerous incentives***

***featuring Ana Malinow, MD***



***This time on Code WACK!***

**Why is tying a medical provider's pay to the outcomes of their patients a bad idea? Why else should we be concerned about Accountable Care Organizations and the privatization of traditional Medicare?**

To find out, we spoke to **Dr. Ana Malinow**, who spent three decades working as a pediatrician with immigrant, refugee and underserved children before retiring as Clinical Professor of Pediatrics from the University of California San Francisco School of Medicine. She's past president of [Physicians for a National Health Program](#) and is currently a lead organizer for [National Single Payer](#) and **The Movement to End Privatization of Medicare**. This is the second episode in a two-part series with Dr. Malinow.

# SHOW NOTES

## WE DISCUSS

*Let's talk about Accountable Care Organizations, which are like provider networks for people on traditional Medicare. They tie hospitals' and doctors' pay to patient outcomes, meaning they get paid more if their patient's health improves. Why is this a problem?*

"This is a really good question. How do you define patient outcomes? Right? You know, there are 10,000 CPT codes. Those are the codes that doctors use and providers use in order to bill .... So which ones are you going to measure ...?

"... you're not going to measure everything because you can't possibly measure everything. And so what's going to happen to the things you're not measuring?

"Well, you know, what doctors do is they stop paying attention to the things that are not measured and just pay attention to the things that are measured. So they teach to the test. ... now doctors are really going to be paying a lot of attention to the things that they're going to be reimbursed for, and they're going to stop paying attention to the things they're not being reimbursed for. ...

"The other problem is that, again, it incentivizes doctors to skimp on care or to deny care or to use the wrong networks because they know that their income depends on that. So it compromises doctors. – **Ana Malinow, MD**

## *Do Accountable Care Organizations lower costs?*

"Well no...There was a recent study that was just published in the journal of the American Medical Association that looked at the Medicare Shared Savings Program, which is sort of the flagship ACO program under traditional Medicare that looked at the almost 500 ACOs, right? ...

"And they found that over a nine-year period, they increased Medicare costs by ... up to \$1.4 billion. So they're increasing costs, they're not lowering costs. ... but they are making money for themselves for sure. They are doing that..- **Ana Malinow, MD**

## *It sounds like what's most at stake for patients is their quality of care. Is that right?*

"Yes. So there, there are three threats that this poses.

'One is to patients, it threatens their care because they might now be getting skimmed on care or denied care.

'Two, their choice, right? They chose to sign up for traditional Medicare, they choose to pay more to be on traditional Medicare because we know that it costs more to be on traditional Medicare than Medicare Advantage.

'And three, all of those shared savings, instead of going to patient care or even back to Medicare, they are now going to a third party, whether it is a for-profit entity or a not-for-profit entity, all of that money that should be going back to Medicare is now hemorrhaging out of Medicare and [that is] threatening the solvency of the Medicare trust fund." - **Ana Malinow, MD**

## **Helpful Links**

[Estimated Savings From the Medicare Shared Savings Program](#), *Journal of American Medicine (JAMA) Network*

[Federal Budgetary Effects of the Activities of the Center for Medicare & Medicaid Innovation](#), Congressional Budget Office

[Understanding The Latest ACO “Savings”: Curb Your Enthusiasm And Sharpen Your Pencils—Part 1](#), *Health Affairs*

[Fee-for-Service vs Value-Based Care: The Differences You Should Know](#), *Streamline Health*

[Value-Based Care Will Bring Value to Shareholders](#), *Physicians for a National Health Program*

[Progressive lawmakers call on CMS to cull companies with history of Medicare fraud from ACO REACH](#), *Healthcare Dive*

[Medicare privatization, ACO REACH & the ethics of for-profit health care](#), *Dr. Phil Verhoef, featured guest on Code WACK! Podcast*

---

## Episode Transcript

Read the [episode transcript](#).

## Guest Biography - Ana Malinow, MD

Dr. Ana Malinow spent three decades working as a pediatrician with immigrant, refugee and underserved children in Ohio, Texas, Pennsylvania, and California before retiring as Clinical Professor of Pediatrics from the University of California San Francisco School of Medicine.

She is past president of [Physicians for a National Health Program](#) and has been featured on national and international television and radio on health care reform and the stealth privatization of traditional Medicare.

She is currently a lead organizer for [National Single Payer](#) and The Movement to End Privatization of Medicare.

## Get Involved / Take Action

**[Subscribe to Code WACK!](#) to catch all our weekly podcast episodes.**

**[Subscribe to HEAL California](#) for health policy news with a California focus**

**[Join Healthy California Now](#) - a coalition working toward a California single-payer system. Individual and organizational memberships available.**

**[Join the CalCare Campaign](#) to win single-payer in California, sponsored by National Nurses United/California Nurses Association.**

