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The Eight Barriers to ACO Performance

Executive Summary

ACOs operate under intense pressure. CMS expects quality improvement, cost reduction, and shared savings while beneficiaries get sicker and more expensive. Yet most ACOs are trying to hit these targets with tools that weren't built for the job.

The result is predictable. Financial gaps discovered months too late. High-cost patients identified after they've already driven up expenditures. Care interventions that happen too slowly to make a difference. Forecasts that miss CMS actuals by millions.

These aren't isolated problems. They fall into two categories: structural challenges that create blind spots in populations, and operational challenges that prevent acting fast enough even when you know what needs to happen.

This whitepaper breaks down the eight core barriers that prevent ACOs from hitting their performance targets and explains why unified, AI-powered platforms like CareSpace® are becoming the standard for top performers.

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Why ACOs Struggle to Hit Their Numbers

Success in accountable care requires two things: seeing your population clearly and acting on what you see before the cost hits. Most ACOs can't do either consistently.

The challenges break down into two distinct categories. Structural challenges create blind spots. Healthcare organizations don't see rising costs early enough, risk scores don't reflect reality, and attribution keeps shifting under their feet. Operational challenges create delays. Even when providers spot a problem, fragmented systems and manual workflows slow them down until the intervention window closes.

Together, these eight barriers explain why so many ACOs struggle to generate shared savings despite having talented teams and good intentions.

What Prevents ACOs from Seeing Rising Costs Early?

1 Rising expenditures with no early visibility

Most ACOs don't see cost trends until claims data arrives, which can lag by 60-90 days or more. By the time the spike in inpatient admissions or ED utilization becomes visible, the damage is done. ACOs end up managing budgets in the rearview mirror, reacting to last quarter's problems instead of preventing this quarter's.

2 Misaligned risk scores

When HCC coding doesn't capture the true acuity of populations, everything downstream breaks. ACOs underestimate how sick their patients are, benchmarks get set too low, and CMS expects performance that can't be delivered. Worse, revenue gets left on the table because under coded patients don't generate the payments needed to fund their care.

3 Attribution instability

Patient populations shift. People move, change providers, or cycle in and out of networks. If systems can't track attribution changes in near real-time, continuity is lost. ACOs end up measuring performance against a population that no longer matches reality, and interventions miss the patients who need them.

4 High-cost utilization patterns go undetected

Inpatient stays, ED visits, and skilled nursing facility admissions drive most ACO costs. But if utilization patterns can't be spotted early, care can't be redirected. The patient who's had three ED visits in two months should trigger an intervention. If systems don't surface that pattern until the fourth or fifth visit, control of the cost is already lost.

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5 High-cost cohorts not identified early

Retrospective analytics tell ACOs who were expensive last year. They don't reveal who will drive costs next quarter when there's still time to intervene. Without predictive models that flag high-risk patients before the acute event, care management teams are always playing catch-up.

6 Poor transitional care workflows

The handoff from hospital to home is where readmissions happen and where costs spiral. But most ACOs don't have the workflow tools to ensure follow-up appointments get scheduled, medications get reconciled, and care plans get communicated. Poor transitions create avoidable readmissions, and avoidable readmissions destroy shared savings.

7 Weak provider engagement

Physicians won't act on insights buried in clunky dashboards or delivered weeks after the patient encounter. If closing a care gap requires five clicks and three different logins, it won't happen. If the HCC coding opportunity doesn't surface at the point of care, the documentation won't improve. Provider engagement depends on workflows that support clinicians instead of burdening them.

8 Late discovery of financial gaps

Lagging claims data means ACOs often don't know if they're on track for shared savings or headed for a loss until six months into the performance year. By the time the problem is discovered, there's no time to course correct. Real-time visibility into financial position is essential to adjust strategy before reconciliation.

Operational Challenges: Why ACOs Can't Act Fast Enough

Even when ACOs identify problems, fragmented operations prevent fast action. Most teams operate across 10+ disconnected tools where analytics live in one system, care management in another, and quality measures in a third. Nobody has a unified view of utilization, risk, quality, and cost, so decisions get made on partial information.

The 60–90-day claims lag means intervention windows close before action can be taken. Without real-time financial tracking, there's no early warning system for downside risk exposure. Manual forecasting with spreadsheets and assumptions consistently misses CMS actuals by millions. Difficulty predicting which patients will become high-cost next quarter leaves care managers reacting instead of preventing. And even when systems surface insights (a care gap, a utilization spike, a high-risk patient), the workflow to act is so manual and disconnected that alerts don't reach the right person in time.

The problem isn't lack of data. It's that fragmented systems can't turn insights into action fast enough to matter.

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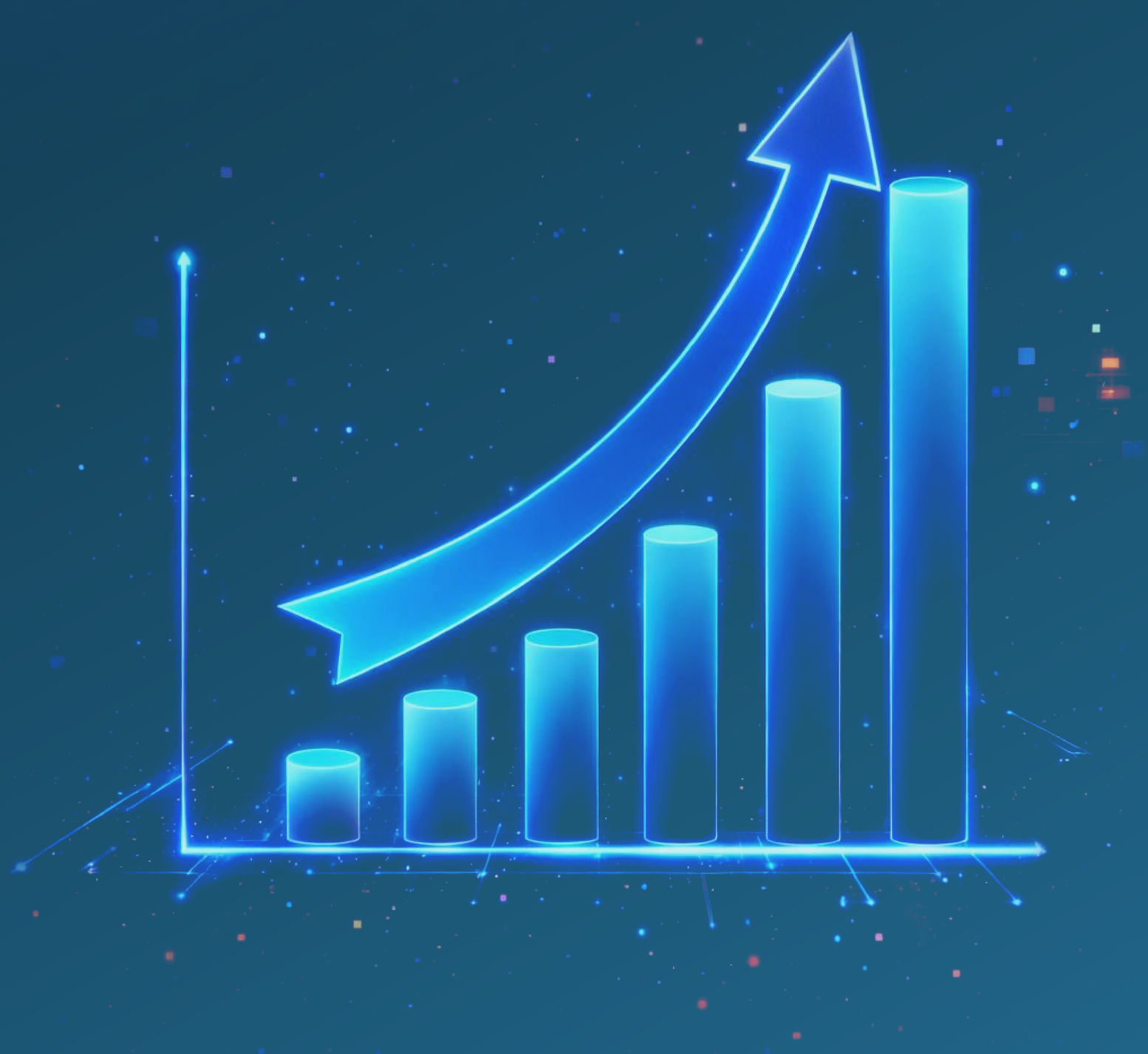
How CareSpace® Solves These Eight Barriers

Persivia's CareSpace® platform was built specifically to address these challenges. Developed over 20 years and AI-powered from the ground up, CareSpace® consolidates analytics, care management, quality tracking, risk adjustment, clinical documentation, and referral management into one unified platform that gives ACO teams a single source of truth instead of 10+ disconnected tools. Built on an AI-native data foundation that unifies claims, clinical records, social determinants of health (SDoH), and quality measures in real time, CareSpace® delivers both predictive and real-time analytics so teams can see what's happening now and what's coming next with early warnings for downside risk exposure, predictive models that flag high-cost patients before acute events, and financial forecasting that actually matches CMS actuals.

CareTrak®, CareSpace's point-of-care solution, solves the provider engagement challenge by embedding insights directly into clinical workflows so physicians can close care gaps, document HCC codes, and respond to high-risk alerts without leaving the patient encounter, while CareSpace® gives executives real-time visibility to manage risk proactively and eliminates the integration pain and fragmentation that plague ACOs operating on legacy systems.



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Conclusion

The eight barriers to ACO performance aren't inevitable. They're the result of trying to manage accountable care on systems that weren't built for it.

Structural challenges create blind spots because fragmented data prevents seeing populations clearly. Operational challenges slow teams down because disconnected tools can't turn insights into action fast enough.

Top-performing ACOs are solving both problems with unified platforms that provide real-time visibility and predictive intelligence. They can see rising costs before they hit. They identify high-risk patients while there's still time to intervene. They close care gaps at the point of care instead of months later. And they know their financial position continuously instead of waiting for CMS to tell them at reconciliation.

The question isn't whether these barriers are real. The question is whether ACOs will address them now or wait until the next reconciliation to find out what they cost.

Join top-performing ACOs using Persivia to achieve shared savings targets.

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