# [JET Library Policy Briefing – Accountable Care Organisations (House of Commons Library)](http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8190%22%20%5Cl%20%22fullreport)

* Accountable care organisations are based on geographical areas e.g. Cheshire, the Wirral
* A single body takes responsibility for the health needs of everyone in that area
* Bodies can involve a provider – or an alliance of providers working together to meet the needs of a defined population
* They take responsibility for a budget allocated by a commissioner - or alliance of commissioners - to deliver a range of services to that population
* ACOs work under a contract that sets out outcomes and other objectives they are required to achieve within a given budget – this can extend over a number of years
* They are supposed to work in a more integrated way than models that pay per procedure
* There is no defined model of how an ACO should be organised
* They vary in the extent to which partners are contractually integrated
* Results are mixed, particularly in terms of saving money
* But there have been some modest cost savings, mostly due to reduced A&E visits and lower hospital readmissions
* It needs an electronic platform that allows providers to communicate seamlessly with one another
* It needs a change in culture among doctors which takes time and persistent effort
* Introduced in the [*Five Year Forward View*](https://www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf) as a way to integrate primary and acute medical care
* The 44 Sustainability and Transformation Partnership areas (STPs) seen as a good basis for ACOs
* [*Next Steps on the NHS Five Year Forward View*](https://www.england.nhs.uk/wp-content/uploads/2017/03/NEXT-STEPS-ON-THE-NHS-FIVE-YEAR-FORWARD-VIEW.pdf)introduced Accountable Care Systems (ACSs) which would see CCGs and providers working together to manage funding
* Areas who agreed an accountable-performance contract and jointly-managed funding for their population were offered:
	+ Delegated local commissioning powers
	+ A devolved transformation-funding package
	+ Streamlined oversight arrangements
* In June 2017 Simon Stevens announced the first eight areas to take on ACS status
* *Next Steps* defined ACOs as a more advanced and integrated form of an ACS
* There is a general trend to move from ACSs to ACOs “at some point in the future.”
* In August 2017 NHS England published a draft ACO contract with three levels of GP participation:
	+ Full integration
	+ Partial integration
	+ Virtual integration
* Statutory accountability will remain with CCGs and other NHS bodies
* ACOs are subject to legal challenges from [*999 Call for the NHS*](http://999callfornhs.org.uk)and [*JR4NHS*](https://twitter.com/jr4nhs?lang=en)
* ACOs have been seen by some commentators as Trojan horses for privatisation with private companies being allowed to bid for contracts to run ACOs – this has been denied by the Medical Director of NHS England
* There are worries that they are a threat to GPs’ independence
* There are worries that capitated annual budgets could be used to ration healthcare