

Introducing Totally Accountable Care Organizations (TACOs)*

What are Totally Accountable Care Organizations (TACOs)?

- *Totally Accountable Care Organizations*, or TACOs, represent an aspirational vision for a health care system where all physical health, behavioral health, long-term services and supports (LTSS), and elements of public health and social services are integrated for targeted high-need populations. Ideally, these activities would be reimbursed under some sort of global payment to align financial incentives and reduce costs. A similar concept that recognizes the influence of social determinants on health could be used to integrate clinical care with public health, prevention, and social services for broader populations within a geographic area.
- While fully realized TACOs do not yet exist, some accountable care organization (ACO) models are nearing this vision for targeted subsets of the population (see table below), particularly in Medicaid. TACOs could ultimately have a multi-payer focus, including Medicare, Medicaid, and commercially insured patients.

Why are TACOs needed?

- The social and economic environment in which people live, work and age is widely recognized to be a far greater driver of health status (and costs) than medical care itself. For the highest-need, highest-cost populations who use multiple services, TACOs can coordinate services across traditionally siloed health care, public health, and social services organizations. By aligning these resources, TACOs can improve care and lower costs.
- High-need, high-cost Medicaid beneficiaries often have many chronic physical and behavioral health conditions and face social obstacles best addressed by a TACO’s alignment of services and financing and coordination across systems.
- Global payments, or funding mechanisms that effectively braid or blend funding across sectors, can address the perverse incentives that drive unnecessary use of expensive acute care, and increase access to non-health care services that may be lower cost and more effective at meeting individuals’ needs.

How are TACOs different from ACOs?

- TACOs move beyond physical health and address many other causes of poor health by integrating health and social services. While a number of Medicaid ACOs have begun to integrate additional services (e.g., behavioral health) and offer some kind of shared savings arrangement, fully realized TACOs would integrate all services and use braided or blended funding to pay for them.

Evolution from ACOs to TACOs with Existing Examples

ATTRIBUTE	BASIC ACOs	COORDINATED CARE ORGANIZATIONS (E.G., OREGON)	COUNTY-BASED SYSTEM (E.G., HENNEPIN HEALTH, MN)	TACOs
Physical health	X	X	X	X
Behavioral health		X	X	X
LTSS				X
Social services		For some CCOs	County-based services	X
Public health		For some CCOs	X	X
Global payment for all integrated services		For PH and BH services	For PH/BH w/braided financing for social services	X

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* For more information, see S. Somers and T. McGinnis. “Broadening the ACA Story: A Totally Accountable Care Organization.” *Health Affairs* blog, Jan. 23, 2014. Available at <http://healthaffairs.org/blog/2014/01/23/broadening-the-aca-story-a-totally-accountable-care-organization/>