

Why ACOs Should Create High- Performance Specialty Networks

written by Theresa Hush | March 5, 2026



Specialty costs have been a difficult problem for ACOs, driving a huge portion of total costs in specialty-driven services of all kinds: physician visits, hospital admissions, procedures, and treatments. ACOs have argued they don't have the tools needed to combat costs. But that is not quite true. We argued in a recent [webinar](#) that ACOs have the tools to go further than simply linking specialty patients to a primary care provider, and the ability to really work with specialists to help manage costs. The key method: create a High-Performance Specialty Network and help specialists participate by evaluating patient outcomes and costs.

Escalating specialty care costs have held down ACOs' savings and minimized what ACOs can accomplish. Now ACOs are being drawn into two new CMS specialty payment models: TEAM (Transforming Episode Accountability Model) and ASM (Ambulatory Specialty Model). These create an opportunity for ACOs to make significant headway on specialty care coordination, patient outcomes, and costs. While they can't steer patients or negotiate fees with specialists, ACOs can work with specialists to help them evaluate their costs. ACOs' recent development of aggregated data makes that possibility a reality.

What is a High-Performance Specialty Network?

Industry pundits on TEAM point to High-Performance Specialty Networks as an important part of managing risk—as if these networks already exist. That is rarely the case. Most referral arrangements between primaries, in ACOs and other organizations, are still informal, based on reputation or renown, or they are “inside referrals” within a health system. A High-Performance Specialty Network is nothing short of a major change in how hospitals and physicians would market

services to patients based on Value. That is a heavy lift for providers who have, until now, relied on reputation rather than actual performance for gaining patients.

Developing a High-Performance Specialty Network (HPSN) requires more than a collegial or owner relationship. To be effective in ensuring best specialty care and cost control within TEAM or other specific payment models, an HPSN must be grounded by measured performance results. This involves having four essentials enveloped in the network configuration:

Measurement of “performance,” including outcomes, cost, and patient experience, using claims and EHR data to curate analytics that are episode-based, identify patient risk factors, and separately delineate the variations in cost and various outcomes during the surgery: complications, events during and after surgery, and the patient’s specific risk factors

Accountability boundaries for primary and specialty physicians, including patient hand-offs after initial treatment, designation of who manages ongoing or post-surgical treatments, and triggers for return to the specialist. Lack of coordination of specialty care is a huge part of the issue driving costs and results in under-informed clinicians in both primary or specialty areas. For TEAM surgeries, this lack can be dangerous and lead to patient complications during surgery.

Required communication processes so that patients are seen by primaries prior to surgery, pre-treating if necessary and conveying risk information to the specialist, preferably through EHR hooks. Likewise, specialty alerts to the primary

physician is essential for hand-offs. In ASM, these hand-offs of care are essential to keep a single treatment plan and patient adherence work between primary care and specialty physicians.

Processes for improvement that are not judgmental, score-related, or solely physician focused. The point of having a High-Performance Network in TEAM is to improve recoveries and lower costs in surgeries that represent the highest cost and volume in Medicare. But achieving that requires more than specialists; it involves working on hospital processes and technology, operating room rules, and connections with primaries to lower patient risk or prevent complications.

Can ACOs Really Do This, and Why Would Specialists Participate?

A strong High-Performance Network can deliver data to specialists that they rarely receive: their surgical costs and patient outcomes, and what drives variations in those costs. Physicians often don't realize how illuminating this data is, until they see it. For specialists in competition— especially in the surgical areas covered by TEAM—this is an opportunity to prove value, if they can achieve that on their terms.

The caveat to achieving actionable data is to create a good quality performance measurement system and process. First, the supporting data and measurement system must be sophisticated and accurate enough to identify cost and outcome variations, as well as to identify the underlying drivers. Second, the results must be reviewed in a collaborative learning environment that enables specialists to provide feedback and work on improvements to surgical processes and specific issues in the

hospital or organization.

The key to specialty evaluation and engagement is surgical and condition episodes at the patient level. Episodes are a tool that enables specialists to validate care and costs for a patient they can identify, giving them a 360 degree clinical view they need to trust the data and examine the episode. The patient episode, or “case,” shows what went right and wrong; clinicians can then investigate the antecedent. The data are not just actuarial numbers—they are real specialty patients with events, outcomes, and costs. Cost variation of these episodes highlights the drivers that cause the problems, sometimes something as simple as a surgical complication arising from lack of knowledge of a patient risk factor.

Specialists’ willingness to examine this data with ACOs is dependent on ACOs protecting them financially and professionally by keeping competitive data private. That is an easy fix for an ACO, even one owned by a hospital or physician organization—by using a neutral third-party vendor to aggregate data and to create the episode analytics, and by ensuring that every specialist or group can see only its own data.

Can ACOs Take the Challenge and Lead Change?

A hospital or health system environment that is not open to change will have little success in its endeavors with specialists. Neither will its ACO succeed. Every accountable party must take responsibility for its own contribution to escalating costs, because there is ample fault to go around. That willingness to engage in real change is the biggest factor that will contribute to the success of these payment models.

ACOs have an opportunity to realize their role as change agents, increasing the value of health care while ramping up savings. Leadership must organize the data and the process for change. Given ACOs' primary care base and their payment model experience, their involvement expands the view of patients under TEAM and ASM, bringing primary and specialty care together for an examination of episodes that will differ slightly with each diagnosis or procedure type.

ACOs can be an important vehicle to create a common path for review of specialty care, fulfilling their mission to both coordinate and manage care and costs. Because of APP reporting, many ACOs are now aggregating clinical and cost data to evaluate quality as well as cost. Now is the time.

Roji Health Intelligence has pioneered the use of surgical, condition, and treatment episodes in Value-Based Care. [Contact us today](#) to see how we can help your ACO or specialty group use these to create a High-Performance Specialty Network.

Founded in 2002, Roji Health Intelligence guides health care systems, providers and patients on the path to better health through [Solutions](#) that help providers improve their value and succeed in Risk.

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