

Affordable Care Act Gives Providers New Options to Better Coordinate Health Care

The Affordable Care Act provides a number of new tools and resources to help improve health care for all Americans. Accountable Care Organizations (ACOs) are one way that doctors, hospitals and other health care providers can work together to better coordinate care for patients, which can help improve health, improve the quality of care, and lower costs. The Affordable Care Act provides multiple pathways to develop and support ACOs. The Centers for Medicare & Medicaid Services (CMS) is working in partnership with providers to develop multiple ACO models and supports that can help put any provider, regardless of size, on the path to becoming an ACO.

In March 2011, CMS released the proposed rule to implement the Medicare Shared Savings Program. Through the Medicare Shared Savings Program, health care providers can join together in ACOs to integrate and coordinate services in return for a share of any savings to the Medicare program. Medicare Shared Savings Program ACOs will be rewarded for lowering growth in Medicare costs while meeting performance standards on quality of care and putting patients first. To learn more about the Medicare Shared Savings Program proposed rule, visit www.HealthCare.gov/news/factsheets/accountablecare03312011a.html. CMS is continuing to encourage and accept comments from providers and the public on how to strengthen the final rule.

As CMS moves forward to refine and finalize that proposal, it has announced three other initiatives from the newly created Center for Medicare and Medicaid Innovation (Innovation Center) designed to help put providers on the path to becoming Accountable Care Organizations and improve health care for Americans with Original Medicare.

- **Pioneer ACO Model:** The Innovation Center is now accepting applications for the Pioneer ACO Model, which will provide a faster path for mature ACOs that have already begun coordinating care for patients. The Pioneer ACO model is estimated to save Medicare as much as \$430 million over three years by better managing care for beneficiaries and eliminating duplication. And it is designed to work in coordination with private payers in order to achieve cost savings and improve quality across the ACO, thus improving health outcomes and reducing costs for employers and patients with private insurance.
- **Advance Payment ACO Initiative:** The Innovation Center is seeking public comments on whether it should offer an Advance Payment Initiative that would allow certain ACOs participating in the Medicare Shared Savings Program access to a portion of their shared savings up front, helping providers make the infrastructure and staff investments crucial to successful ACOs. Comments should be submitted by June 17th, 2011.
- **Accelerated Development Learning Sessions:** Providers interested in learning more about the steps necessary to become an ACO can attend an upcoming series of Accelerated Development Learning Sessions. These convenient and free sessions will help providers learn what steps they can take to improve care delivery and how to develop an action plan for moving toward better-coordinated care.

Together with the Medicare Shared Savings Program, the initiatives announced today give providers a broad range of options and support that reflect the varying needs of providers in embarking on delivery system reforms.

Improving Care for Patients

Any patient who has multiple doctors has experienced the frustration of fragmented and disconnected care: lost or unavailable medical charts, duplicated medical procedures and tests, or having to share the same information over and over with different doctors.

ACOs are designed to lift this burden from patients, while improving the partnership between patients and doctors in making health care decisions. Medicare beneficiaries will have better control over their health care; doctors will have better information about their patients' medical history and can communicate more easily with a patient's other doctors. Medicare beneficiaries whose doctors participate in an ACO will still have a full choice of providers and can still choose to see doctors outside of the ACO. Patients choosing to receive care from providers participating in ACOs also will have access to information about how well their doctors, hospitals, or other caregivers are meeting quality standards.

About ACOs

An ACO is a group of providers and suppliers of services (e.g., hospitals, physicians, and others involved in patient care) who will work together to coordinate care for beneficiaries in Original Medicare. ACOs will be patient-centered organizations where the patient and providers are true partners in care decisions. Provider participation in ACOs is purely voluntary, and participating patients will see no change in benefits and will keep their freedom to see any Medicare provider.

Pioneer Model for ACOs

The Pioneer ACO Model is designed for health care organizations and providers that are already experienced in coordinating care for patients across care settings. It will allow these provider groups to move more rapidly from a shared savings payment model to a population-based payment model on a track consistent with, but separate from, the Medicare Shared Savings Program. And it is designed to work in coordination with private payers by aligning provider incentives, which will improve quality and health outcomes for patients across the ACO, and achieve cost savings for Medicare, employers and patients.

The payment models being tested in the first two years of the Pioneer ACO Model are a shared savings payment policy with generally higher levels of shared savings and risk for Pioneer ACOs than levels currently proposed in the Medicare Shared Savings Program. In year three of the program, participating ACOs that have shown a specified level of savings over the first two years will be eligible to move a substantial portion of their payments to a population-based model. These models of payments will also be flexible to accommodate the specific organizational and market conditions in which Pioneer ACOs work.

The Pioneer ACO Model includes strong patient protections to ensure that patients have access to and receive high quality care. To accomplish this goal, Pioneer ACOs will be expected to improve the health and experience of care for individuals, improve the health of populations, and reduce the rate of growth in health care spending. Participating ACOs will be held financially accountable for the care provided to their aligned beneficiaries. In addition, CMS will publicly report the performance of Pioneer ACOs on quality metrics, including patient experience ratings, on its website.

To learn more about Pioneer ACOs, visit <http://innovations.cms.gov/areas-of-focus/seamless-and-coordinated-care-models/pioneer-aco>.

Advance Payment Initiative

The Innovation Center is also considering an Advance Payment Initiative for ACOs entering the Medicare Shared Savings Program to test whether pre-paying a portion of future shared savings could encourage participation in the Medicare Shared Savings Program. Early comments on the proposed Medicare Shared Savings Program rules suggest that some providers lack ready access to the capital needed to invest in infrastructure and staff for care coordination. As such, CMS is seeking comment on the idea of allowing eligible organizations participating in the Medicare Shared Savings Program to receive an advance on the shared savings they are expected to earn, in the form of a monthly payment for each aligned Medicare beneficiary. ACOs would need to provide a plan for using these funds to build care coordination capabilities, and meet other organizational criteria. Advance payments would be recouped through the ACOs' earned shared savings. Comments on this potential proposal may be electronically submitted to: advpayACO@cms.hhs.gov. Comments should be submitted by June 17th, 2011.

To learn more about the Advance Payment Initiative, visit: <http://innovations.cms.gov/areas-of-focus/seamless-and-coordinated-care-models/advance-payment/>.

Accelerated Development Learning Sessions

The Centers for Medicare & Medicaid Services (CMS) will be offering ACO Accelerated Development Learning Sessions to provide the executive leadership teams from existing or emerging ACO entities the opportunity to learn about essential ACO functions and ways to build capacity needed to achieve better care, better health and lower costs through integrated care models. Four sessions will be offered in 2011. Each will include a focused curriculum on core competencies for ACO development, such as improving care delivery to increase quality and reduce costs; effectively using health information technology and data resources; and building capacity to assume and manage financial risk. Participation in these sessions will not be considered as a factor for selection or participation in any CMS ACO program. Additionally, the Accelerated Development Learning Sessions will not discuss elements of or specific requirements for participation in any CMS ACO program, including the Medicare Shared Savings Program.

Individuals wishing to attend the June Accelerated Development Learning Session in person may register at <https://acoregister.rti.org>.

Other Tools Medicare Is Using to Motivate Quality Improvement

ACOs are just one part of a wide-ranging effort by the Obama Administration to improve the quality of health care and lower costs for all Americans, using important new tools provided by the Affordable Care Act. The National Quality Strategy provides strategic direction for ensuring progress toward delivery system reforms that reward quality rather than the volume of services provided. The recently launched Partnership for Patients is bringing together hospitals, doctors, nurses, pharmacists, employers, unions, and State and Federal government to keep patients from getting injured or sicker in the health care system and to improve transitions between care settings. CMS intends to invest up to \$1 billion to help drive these changes through the Partnership initiative. And beginning in FY 2013, for the first time, the Hospital Value-Based Purchasing program authorized by the Affordable Care Act will pay hospitals' inpatient acute care services based partially on care quality, not just the quantity of the services they provide.

To learn more:

Organizations interested in applying to the Pioneer ACO Model must submit a letter of intent on or before June 10, 2011. Applications must be received on or before July 18, 2011. The Pioneer ACO Request for Application, the Letter of Intent form and the Application form may be accessed at <http://innovations.cms.gov/areas-of-focus/seamless-and-coordinated-care-models/pioneer-aco>. The Innovation Center will hold an Open Door Forum to review the Pioneer ACO Model Request for Application on June 7, 2011.

More information about the Advance Payment Initiative can be found at: <http://innovations.cms.gov/areas-of-focus/seamless-and-coordinated-care-models/advance-payment/>. The Innovation Center will accept comments on the Advance Payment Initiative, if submitted prior to June 17, 2011. Comments should be submitted via email to: advpayACO@cms.hhs.gov.

Individuals wishing to attend the June Accelerated Learning Development Session in person may register at <https://acoregister.rti.org>. Registration is on a first come, first served basis.

More information about the Medicare Shared Savings Program can be found at: <http://www.cms.gov/sharesavingsprogram/>. The Medicare Shared Savings Program proposed rule can be downloaded at: <http://edocket.access.gpo.gov/2011/pdf/2011-7880.pdf>. Comments on the proposed rule, which can be submitted electronically to www.regulations.gov, must be received by June 6, 2012.