

FOR IMMEDIATE RELEASE

Monday, December 19, 2011

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Affordable Care Act helps 32 health systems improve care for patients, saving up to \$1.1 billion
Leading health care providers will be Pioneer Accountable Care Organizations

Thirty-two leading health care organizations from across the country will participate in a new Pioneer Accountable Care Organizations (ACOs) initiative made possible by the Affordable Care Act, HHS Secretary Kathleen Sebelius announced today. The Pioneer ACO initiative will encourage primary care doctors, specialists, hospitals and other caregivers to provide better, more coordinated care for people with Medicare and could save up to \$1.1 billion over five years.

Under this initiative, operated by the Centers for Medicare & Medicaid Services (CMS) Innovation Center (Innovation Center), Medicare will reward groups of health care providers that have formed ACOs based on how well they are able to both improve the health of their Medicare patients and lower their health care costs.

“Pioneer ACOs are leaders in our work to provide better care and reduce health care costs,” said Secretary Sebelius. “We are excited that so many innovative systems are participating in this exciting initiative – and there are many other ways that health care providers can get involved and help improve care for patients.”

The Pioneer ACO initiative is just one of a menu of options for providers looking to better coordinate care for patients and use health care dollars more wisely. The Pioneer ACO model is designed specifically for groups of providers with experience working together to coordinate care for patients. The Medicare Shared Savings Program and the Advance Payment ACO Model, both [announced in October 2011](#), are also ACO options for providers. More information about the full menu of options for providers and how to apply to participate is available [here](#).

“We know that health care providers are at different stages in their work to improve care and reduce costs,” said Marilyn Tavenner, acting Administrator of CMS. “That’s why we’ve developed a menu of options for Medicare to meet doctors, hospitals, and other healthcare providers where they are, and begin the conversation of how to enhance the care they are offering to people with Medicare.”

The 32 Pioneer ACOs underwent a rigorous competitive selection process by the Innovation Center, including extensive review of applications and in-person interviews.

The initiative will test the effectiveness of several innovative payment models and how they can help experienced organizations to provide better care for beneficiaries, work in coordination with private payers, and reduce Medicare cost growth. These payment models will allow organizations that are successful in achieving better care and lower cost growth to move away from a payment system based on volume under the fee-for-service model, towards one where the ACO is paid based on the value of care it provides.

The Pioneer ACO model requires ACOs to engage other payers in similar efforts to reward health care providers that deliver high-quality care. The Pioneer ACO model also includes strict beneficiary protections, including the ability for patients to seek care from any Medicare provider they wish.

Selected Pioneer ACOs include physician-led organizations and health systems, urban and rural organizations, and organizations in various geographic regions of the country, representing 18 States and the opportunity to improve care for about 860,000 Medicare beneficiaries.

The first performance period of the Pioneer ACO Model will begin January, 1st 2012.

For the final list of participating Pioneer ACOs and more information about the Pioneer ACO Model, a fact sheet is posted at http://www.cms.gov/apps/media/fact_sheets.asp or you can visit: <http://innovations.cms.gov/initiatives/aco/pioneer>

The Pioneer ACO Model is one of several initiatives underway at CMS designed to support the formation of ACOs. For more information, visit www.cms.gov/aco.

For more information about the CMS Innovation Center, visit innovations.cms.gov.

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Note: All HHS press releases, fact sheets and other press materials are available at <http://www.hhs.gov/news>.