

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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## **Office of Media Affairs**

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# **CMS NEWS**

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### **Affordable Care Act gives providers new options to better coordinate health care**

*New Accountable Care Organization models will improve patient care, could save Medicare up to \$430 million*

The Centers for Medicare & Medicaid Services (CMS) today announced three Affordable Care Act initiatives designed to help doctors, hospitals and other health care providers improve health care for Americans with Medicare by becoming Accountable Care Organizations (ACOs). First, the Center for Medicare and Medicaid Innovation (Innovation Center) will support a new ACO model that will be available to providers this summer – the Pioneer ACO Model, which is designed for advanced organizations ready to participate in shared savings. It is projected to save Medicare up to \$430 million over three years by better coordinating patient care. Second, the Innovation Center is seeking comment on the idea of an Advance Payment ACO Model that would provide additional up-front funding to providers to support the formation of new ACOs. And third, provider groups interested in learning more about how to coordinate patient care through ACOs can attend free new Accelerated Development Learning Sessions. These initiatives are part of a broader effort by the Obama Administration, made possible by the Affordable Care Act, to improve care and lower costs.

“Over and over again, we have seen that improving how care is delivered to patients is key to reducing the growth in health care spending,” said CMS Administrator Donald M. Berwick, M.D. “When we improve the coordination of care between providers, reduce duplication of services, and avoid medical errors, we can get better outcomes for patients at less cost. The Affordable Care Act has given us the tools to achieve these goals.”

Implemented by the Center for Medicare and Medicaid Innovation, these three new initiatives will help give providers new options and incentives to participate in ACOs.

- The Innovation Center will release a request for applications (RFA) this week for the Pioneer ACO Model, which provides a faster path for mature ACOs that have already begun coordinating care for patients and are ready to move forward. This model is

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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 Medicare beneficiaries as well as employers and other insurers. The CMS Office of the Actuary estimates that the care models developed through the Pioneer ACO Model could save Medicare up to \$430 million over three years.

“The Pioneer Model is an opportunity for those organizations that have already adopted significant care coordination processes to move further and faster into seamless, coordinated care by utilizing alternative payment mechanisms,” said Richard Gilfillan, M.D., director of the Innovation Center.

- CMS is seeking input on the idea of an Advance Payment ACO Model, which would give certain ACOs participating in the Medicare Shared Savings Program access to their shared savings up front, helping them make the infrastructure and staff investments crucial to successfully coordinating and improving care for patients.
- The Innovation Center will offer new, free Accelerated Development Learning Sessions to teach providers interested in becoming ACOs what steps they can take to improve care delivery and how to develop an action plan for moving toward providing better coordinated care. Four Accelerated Development Learning Sessions will be held in 2011, with the first session scheduled for June 20-22, 2011 in Minneapolis, MN. The plenary session will be available to all interested organizations through a webcast and all materials from the sessions will be publicly available.

These initiatives are intended to complement the Medicare Shared Savings Program by providing additional options for ACOs. CMS issued a proposed rule to implement the Medicare Shared Savings Program in March 2011 and is continuing to encourage and accept comments from providers and the public that will help strengthen the final rule.

**To learn more:**

A fact sheet on these initiatives can be found at:

<http://www.healthcare.gov/news/factsheets/accountablecare05172011a.html>

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 ACO Model 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 ACO Model, if submitted prior to June 17, 2011. Comments should be submitted via email to: [advpayACO@cms.hhs.gov](mailto:advpayACO@cms.hhs.gov).

Individuals wishing to attend the June Accelerated Development Learning 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](http://www.regulations.gov), must be received by June 6, 2012.

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