

American College of Physicians
Brief Summary of New ACO Initiatives through the CMS Innovation Center

On May 17, 2011, the Center for Medicare and Medicaid Innovation (CMMI) announced the following three new initiatives related to the Shared Saving/Accountable Care Organization Payment and Service Delivery Model.

Pioneer ACO Model - 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 (by year 3) 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. Primary differences from the proposed Shared Savings/ACO model released on March 31, 2011 include:

- Sharing in potential savings and loses of up to 75 percent; with a limit of up to 15 % of the expenditure benchmark.
- Choice of either a prospective or retrospective attribution process.
- Must be accountable for a defined beneficiary population of at least 15, 000 (except in rural areas.)
- Expectations that Pioneer ACOs will engage with other purchasers, including commercial purchasers and state Medicaid agencies, in committing to derive the majority of their revenues from outcomes-based payment arrangements

Interested entities must submit letters of intent by June 10, 2011 and completed applications by July 18, 2011. CMS anticipates approval of approximately 30 Pioneer ACO programs.

Advanced Payment Initiative - The Innovation Center is considering an Advanced Payment Initiative for those ACOs entering the Medicare Shared Savings Program to test whether and how pre-paying a portion of future shared saving could increase participation in the Medicare Shared Savings Program. Some providers have expressed a concern about their lack of ready access to the capital needed to invest in infrastructure and staff for care coordination. Under the proposed initiative, eligible organizations could receive an advance on the shared savings they are expected to earn as 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.

This Advanced Payment Initiative is currently in the development state. The Innovation Center welcomes reactions and suggestions from the public on this potential effort which

may be electronically submitted to: advpayACO@cms.hhs.gov Comments should be submitted by June 17th, 2011.

Accountable Care Organization (ACO) Accelerated Development Learning Program - The Accelerated Development Learning Program will allow providers interested in learning more about how to coordinate patient care through ACOs to attend free learning sessions offered through CMS. The Accelerated Development Learning Sessions will 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 improvement. Four ADLSs will be offered in 2011, the first one will be in Minneapolis, MN from June 20 - 22. Each will offer 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.

The goal of these sessions is to prepare participants to:

- Understand their current readiness to become an ACO.
- Identify organization-specific goals for achieving the three-part aim of improving care delivery, improving health, and reducing costs through improvement.
- Begin to develop an action plan for establishing essential ACO functions.