



April 23, 2013

Dr. H.Eugene Lindsey MD
President and Chief Executive Officer
Atrius Health
275 Grove Street, Suite 3-300
Newton, MA 02466

Dear Dr. Lindsey,

Thank you for your continued participation in the Pioneer ACO model. CMS appreciates your commitment to improving care for Medicare beneficiaries.

CMS' goal is to set quality benchmarks for the 33 ACO quality measures to ensure that they provide a strong incentive for all ACOs to improve the care received by Medicare beneficiaries. Because of the greater rewards, we believe that Pioneer ACOs should be moving more rapidly than ACOs in the Medicare Shared Savings Program toward improvements in care for Medicare beneficiaries and testing innovations that may be adopted more broadly in our programs. For this reason, CMS will continue toward implementing the previously agreed upon phase in of pay-for-performance for the quality measures and intends to use actual Medicare fee-for-service (FFS) and Medicare Advantage (MA) performance data in establishing ACO quality performance benchmarks.

Earlier this year, CMS designated a number of the measures to be scored based on flat percentage benchmarks because of the lack of available national Medicare FFS data to design empirically based benchmarks. However, over 200 organizations recently completed submitting data through the Physician Quality Reporting System (PQRS) and ACO Group Practice Reporting Option (GPRO) reporting processes. We intend to use the information reported by these organizations to empirically set quality benchmarks for these and other measures. These performance-based benchmarks will apply to Pioneer ACOs in 2013.

We believe this approach reaffirms our goals of using empirical data to set the benchmarks. In the Shared Savings Program final rule, CMS indicated that we would seek to incorporate actual ACO experience into setting the benchmarks and that any changes to the benchmarking methodology would be considered as part of future rule making. We intend to issue proposals in the near future detailing how we would include 2012 data reported by ACOs to establish the Shared Savings Program benchmarks for 2014. We also intend to modify the Pioneer agreements to indicate that the benchmark methodology adopted for Shared Savings Program for 2014 will be used to calculate the Pioneer benchmarks for 2013. We note that there will be a 60-day period for public comments on any proposal we make, and we welcome your comments on any future proposals.

CMS looks forward to its continued collaboration with Pioneer ACOs to resolve any issues that may arise. We share your commitment and passion for clinical improvement and an accountable health care system. We appreciate your continued collaboration and look forward to working with you in the coming year to improve care for Medicare beneficiaries.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard J. Gilfillan". The signature is fluid and cursive, written over a light blue horizontal line.

Richard J. Gilfillan, M.D.
Director
Center for Medicare & Medicaid Innovation
Center for Medicare & Medicaid Services