

## ***Providers form 106 new Accountable Care Organizations***

Doctors and health care providers have formed 106 new Accountable Care Organizations (ACOs) in Medicare, ensuring as many as 4 million Medicare beneficiaries now have access to high-quality, coordinated care across the United States, Health and Human Services (HHS) Secretary Kathleen Sebelius announced today.

Doctors and health care providers can establish ACOs in order to work together to provide higher-quality care to their patients. Since passage of the Affordable Care Act, more than 250 Accountable Care Organizations have been established. Beneficiaries using ACOs always have the freedom to choose doctors inside or outside of the ACO. ACOs share with Medicare any savings generated from lowering the growth in health care costs, while meeting standards for quality of care.

“Accountable Care Organizations save money for Medicare and deliver higher-quality care to people with Medicare,” Secretary Sebelius said. “Thanks to the Affordable Care Act, more doctors and hospitals are working together to give people with Medicare the high-quality care they expect and deserve.”

ACOs must meet quality standards to ensure that savings are achieved through improving care coordination and providing care that is appropriate, safe, and timely. The Centers for Medicare & Medicaid Services (CMS) has established 33 quality measures on care coordination and patient safety, appropriate use of preventive health services, improved care for at-risk populations, and patient and caregiver experience of care. Federal savings from this initiative could be up to \$940 million over four years.

The new ACOs include a diverse cross-section of physician practices across the country. Roughly half of all ACOs are physician-led organizations that serve fewer than 10,000 beneficiaries. Approximately 20 percent of ACOs include community health centers, rural health centers and critical access hospitals that serve low-income and rural communities.

The group announced today also includes [15 Advance Payment Model ACOs](http://innovations.cms.gov/initiatives/aco/advance-payment/index.html) (<http://innovations.cms.gov/initiatives/aco/advance-payment/index.html>), physician-based or rural providers who would benefit from greater access to capital to invest in staff, electronic health record systems, or other infrastructure required to improve care coordination. Medicare will recoup advance payments over time through future shared savings. In addition to these ACOs, last year CMS launched the [Pioneer ACO program](http://innovations.cms.gov/initiatives/ACO/Pioneer/index.html) (<http://innovations.cms.gov/initiatives/ACO/Pioneer/index.html>) for large provider groups able to take greater financial responsibility for the costs and care of their patients over time. In total, Medicare’s ACO partners will serve more than 4 million beneficiaries nationwide.

Also today HHS issued a new report showing Affordable Care Act provisions are already having a substantial effect on reducing the growth rate of Medicare spending. Growth in Medicare spending per beneficiary hit historic lows during the 2010 to 2012 period, according to the report. Projections by both the Office of the Actuary at CMS and by the Congressional Budget

Office estimate that Medicare spending per beneficiary will grow at approximately the rate of growth of the economy for the next decade, breaking a decades-old pattern of spending growth outstripping economic growth.

For more information on the HHS issue brief, "Growth in Medicare Spending per Beneficiary Continues to Hit Historic Lows," visit:

<http://aspe.hhs.gov/health/reports/2013/medicarespendinggrowth/ib.cfm>.

Additional information about the Advance Payment Model is available at

<http://www.innovations.cms.gov/initiatives/ACO/Advance-Payment/index.html>.

The next application period for organizations that wish to participate in the Shared Savings Program beginning in January 2014 is summer 2013. More information about the Shared Savings Program is available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html?redirect=/sharedsavingsprogram/>.

For a list of the 106 new ACOs announced today, visit:

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/News.html>.

To read the blog by Jonathan Blum, Acting Principal Deputy Administrator and Director, Center for Medicare, visit:

<http://blog.cms.gov/>

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