

HHS announces 89 new Accountable Care Organizations

2.4 million people with Medicare to receive better, more coordinated care

Health and Human Services (HHS) Secretary Kathleen Sebelius announced today, that as of July 1, 89 new Accountable Care Organizations (ACOs) began serving 1.2 million people with Medicare in 40 states and Washington, D.C. ACOs are organizations formed by groups of doctors and other health care providers that have agreed to work together to coordinate care for people with Medicare.

These 89 new ACOs have entered into agreements with CMS, taking responsibility for the quality of care they provide to people with Medicare in return for the opportunity to share in savings realized through high-quality, well-coordinated care.

“Better coordinated care is good for patients and it saves money,” said Secretary Sebelius. “We applaud every one of these doctors, hospitals, health centers and others for working together to ensure millions of people with Medicare get better, more patient-centered, coordinated care.”

Participation in an ACO is purely voluntary for providers. The Medicare Shared Savings Program (MSSP), and other initiatives related to ACOs, is made possible by the 2010 Affordable Care Act. Federal savings from this initiative could be up to \$940 million over four years.

“This new group of ACOs adds to a solid foundation,” said Centers for Medicare & Medicaid (CMS) Acting Administrator Marilyn Tavenner. “The Medicare ACO program opened for business in January and, already, more than 2.4 million beneficiaries are receiving care from providers participating in these important initiatives.”

The 89 ACOs announced today bring the total number of organizations participating in Medicare shared savings initiatives to 154, including the 32 ACOs participating in the testing of the Pioneer ACO Model by CMS’s Center for Medicare and Medicaid Innovation (Innovation Center) announced last December, and six Physician Group Practice Transition Demonstration organizations that started in January 2011. In all, as of July 1, more than 2.4 million beneficiaries are receiving care from providers participating in Medicare shared savings initiatives.

The selected ACOs operate in a wide range of areas of the country and almost half are physician-driven organizations serving fewer than 10,000 beneficiaries, demonstrating that smaller organizations are interested in operating as ACOs. Their models for coordinating care and improving quality vary in response to the needs of the beneficiaries in the areas they are serving.

To ensure that savings are achieved through improving care coordination and providing care that is appropriate, safe, and timely, an ACO must meet quality standards. For 2012, CMS has established 33 quality measures relating to care coordination and patient safety, appropriate use of preventive health services, improved care for at-risk populations, and patient and caregiver experience of care.

Beginning this year, new ACO applications will be accepted annually. The application period for organizations that wish to participate in the MSSP beginning in January 2013 is from Aug. 1 through Sept. 6, 2012. More information, including application requirements, is available at

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