CMS Invites Feedback on the Proposed Accountable Care Organizations Rules
By Dalia Buffery, MA, ABD

The release of the proposed new rules for accountable care organizations (ACOs) has elicited diverse reactions. The Centers for Medicare & Medicaid Services (CMS) encourages healthcare providers, suppliers, and Medicare beneficiaries to submit comments on the rules, which CMS will seriously consider before releasing the final rules on June 6. The ACO program will be launched on January 1, 2012.

On the day the rules were released, CMS Administrator Donald M. Berwick, MD, wrote, “Whatever form ACOs eventually take, one thing is certain: the era of fragmented care delivery should draw to a close. Too many Medicare beneficiaries—like many other patients—have suffered at the hands of wasteful, ineffective, and poorly coordinated systems of care, with consequent costs that are proving unsustainable.”

According to CMS, these rules will enable “providers to better coordinate care for Medicare patients through” ACOs. In addition to financial incentives for care coordination, however, “ACOs could also have to pay back Medicare for failing to provide efficient, cost-effective care.”

The main points of the proposed ACO rules are:
- An ACO will require teams of doctors, hospitals, and other providers to work together to coordinate care
- ACOs must meet high-quality standards to ensure patients are happy with their care and their health outcomes improve
- ACOs that save money this way will share in these savings with Medicare
- ACOs could also have to pay back Medicare for failing to provide cost-effective care
- Minimum requirements for an existing ACO to be accepted into the program are serving ≥5000 Medicare patients and agreeing to participate for 3 years
- Medicare providers who join an ACO that participates in this program would continue to receive payment under the original Medicare fee-for-service rules
- The ACO is responsible for monitoring and reporting of the care it delivers
- Each ACO will be measured against a performance benchmark for that ACO
- An established minimum savings rate accounts for variations in healthcare spending, representing a percentage of the benchmark that ACO savings must exceed to qualify for shared savings
- ACOs that participate in the 2-sided risk model can obtain greater shared savings.

Initial responses from the medical community have been mixed. William F. Jessee, MD, FACMPE, President and CEO of the Medical Group Management Association (MGMA) was rather encouraging, saying, “The formation of ACOs has the potential to greatly improve the coordination of care received by Medicare beneficiaries, and offers the promise of safer, more efficient and effective care…MGMA and our members will develop specific feedback to CMS and the other agencies to ensure that any overly restrictive or administratively burdensome requirements are addressed so this well-intended concept can become a practical reality.”

Jeremy A. Lazarus, MD, speaker of the American Medical Association House of Delegates, sounded a similar tone, “ACOs offer great promise for improving care coordination and quality while reducing cost, but only if all physicians who wish to are able to lead and participate in them.”

By contrast, Karen Ignagni, President and CEO of America’s Health Insurance Plans, said, “We remain concerned that ACOs could accelerate the trend of provider consolidation that drives up medical prices and result in additional cost-shifting to families and employers with private coverage.”

Dr Berwick further wrote that “the Center for Medicare and Medicaid Innovation is also now exploring ways to test alternative models of ACOs that differ from the models specified in the proposed rule.”

In the spirit of collaboration that has been the impetus for American Health & Drug Benefits, we urge all stakeholders to leave their silo’s perspective and provide comments to CMS, to avert potential pitfalls and encourage innovation in healthcare, for which no one group holds the key.

It will require stakeholder integration to turn our sick system into a wellness-promoting enterprise.

References