

CMS NEWS

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New Affordable Care Act initiative to support care coordination nationwide

The Centers for Medicare & Medicaid Services (CMS) today announced the availability of a new initiative for Accountable Care Organizations (ACOs) participating in the Medicare Shared Savings Program. Made possible by the Affordable Care Act, ACOs encourage quality improvement and care coordination through the use of health information technology, helping to move our health care system to one that values quality over quantity and preventing illness over treating people after they get sick.

The new ACO Investment Model is designed to bring these efforts to better coordinate care to rural and underserved areas by providing up to \$114 million in upfront investments to up to 75 ACOs across the country.

“The ACO Investment Model will give Medicare Accountable Care Organizations more flexibility in setting quality and financial goals, while giving them greater accountability for delivering quality care efficiently,” said CMS Administrator Marilyn Tavenner. “We are working with these organizations to make necessary investments that encourage doctors, hospitals and other health care providers to work together to better coordinate care and keep people healthy.”

Through the CMS Innovation Center, this initiative will provide up front investments in infrastructure and redesigned care process to help eligible ACOs continue to provide higher quality care. This will help increase the number of beneficiaries – regardless of geographic location – that can benefit from lower costs and improved health care through Medicare ACOs. CMS will recover these payments through an offset of an ACO’s earned shared savings.

Eligibility is targeted to ACOs who joined the Shared Savings Program in 2012, 2013, 2014, and to new ACOs joining the Shared Savings Program in 2016. The application deadline for organizations that started in the Shared Savings Program in 2012 or 2013 will be December 1, 2014. Applications will be available in the Summer of 2015 for ACOs that started in the Shared Savings Program in 2014 or will start in 2016.

Recently, ACOs in the Pioneer ACO Model and the Medicare Shared Savings Program [generated](#) over \$372 million in total program savings for Medicare ACOs while also improving the quality care delivered to Medicare beneficiaries.

ACOs are one part of the overall effort provided by the Affordable Care Act to help lower costs and improve care and quality. [For example](#), the Affordable Care Act has helped reduce hospital readmissions in Medicare by nearly 10 percent between 2007 and 2013 – translating into 150,000 fewer readmissions – and quality improvements has resulted in saving 15,000 lives and \$4 billion in health spending during 2011 and 2012.

For more information on the ACO Investment Model, please visit:

<http://innovation.cms.gov/initiatives/ACO-Investment-Model/>

ACO Investment Model CMS Fact Sheet:

<http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2014-Fact-sheets-items/2014-10-15.html>

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