



CALIFORNIA HEALTH ADVOCATES

Three blue circles of varying shades (dark, medium, and light) are arranged horizontally to the left of a vertical black line. The line extends from the top of the circles down to the top of the main title.

Accountable Care Organizations

Diane Caradeuc
CMS Liaison

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Our Focus

California Health Advocates

provides quality Medicare and related healthcare coverage information, education and policy advocacy.

www.cahealthadvocates.org

- **Policy** – Conduct public policy research to support recommendations for improving rights and protections for Medicare beneficiaries and their families
- **Training** – Provide timely and high-quality information on Medicare through our website, fact sheets, workshops and webinars
- **Advocacy** – Bring the experiences of Medicare beneficiaries to the public, and especially legislators and their staff at federal and state levels, through media and educational campaigns



Our Projects

- **Senior Medicare Patrol, 1-855-613-7080**
 - *Empowering Seniors to Prevent Fraud*
- **Counseling Tools**
 - *Fact sheets*
 - *Comparison charts*
- **California Medicare Coalition**
 - *Provides a forum for all who serve Medicare beneficiaries to get updates on Medicare and to improve education and outreach*



What is an ACO?

ACOs are:

networks of physicians and providers

who are held accountable for

the cost and the quality of the

full continuum of care

delivered to a specific group of patients



What preceded ACOs?

- Traditional pay for service models
- 1970's: some attempts by physician groups and some joint ventures by physicians and hospitals to act as health insurers
- 1980's-1990s: growth of HMOs



Medicare ACOs

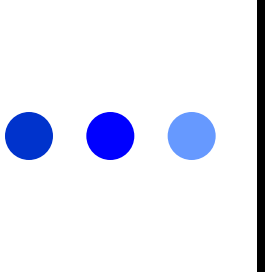
- Established by Section 3022 of the Affordable Care Act
- Added section 1899 to the Social Security Act
 - Requires the HHS Secretary to establish a Shared Savings Program



Shared Savings Program

Social Security Act – Section 1899

Not later than January 1, 2012, the Secretary shall establish a shared savings program that promotes accountability for a patient population and coordinates items and services under parts A and B, and encourages investment in infrastructure and redesigned care processes for high quality and efficient service delivery.



Shared Savings Program to Accountable Care Organizations

On October 20, 2011:

- ❖ CMS finalized rules under the Affordable Care Act to help health care providers better coordinate care for Medicare patients through Accountable Care Organizations, or ACOs



Purpose of a Medicare ACO

The ACO will be held accountable for:

- Improving the health and experience of care for individuals, and
- Improving the health of populations while reducing the rate of growth in health care spending



Medicare ACO

- Will be a patient-centered organization where patients and providers are true partners in care decisions
- ACO must agree to accept a specific number of fee-for-service beneficiaries
- ACO agrees to participate for at least 3 years



Medicare ACO Programs

- Pioneer ACO model
 - For experienced organizations
- Medicare Shared Savings Program
 - ACO shares in savings or savings & loss
- Advance Payment Initiative
 - Provides additional support to physician-owned and rural providers



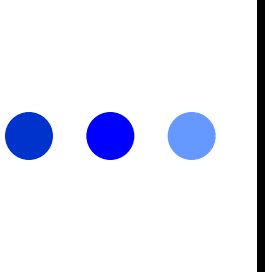
Pioneer ACOs

- For health care organizations and providers already experienced in coordinating care for patients across care settings.
- First performance period began January 1, 2012.



Pioneer ACO Payments

- Years 1 and 2 test a shared savings and shared loss payment arrangement.
- Savings are measured against the ACO's benchmark which is based on previous CMS expenditures for beneficiaries aligned to the Pioneer ACO.

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- If the Pioneer ACO shows savings in Year 1 and 2, it is eligible to move to a population-based payment model in Year 3.
 - This is a per-beneficiary per month payment that will replace some or all of the ACO's FFS payments with a prospective monthly payment.



Medicare Shared Savings Program

- Allows providers who voluntarily agree to work together to coordinate care and meet certain quality standards to share in any savings they achieve for the Medicare program.
- For ACOs that agree to also share in losses, they may receive a greater share of any savings.



Medicare Beneficiary

Assignment of Medicare Fee-for-Service Beneficiary to ACOs:

The Secretary shall determine an appropriate method to assign Medicare fee-for-service beneficiaries to an ACO based on their utilization of primary care services provided under this title by an ACO professional (Section 1899 (c))



Alignment of Beneficiaries

- Beneficiaries are aligned to ACOs by CMS based on
 - Healthcare providers that choose to participate in the ACO
 - And where the beneficiary receives the plurality of his/her primary care



Measurements of Success

- Reduction in patient costs
 - Comparison of overall patient costs and whether coordinated care leads to program savings or program loss

AND

- Improvements in Quality
 - Initially, based on 33 measurements, obtained through survey or claim data



ACO Quality Measurements

- 7 Patient/caregiver experience measures
- 6 Care coordination/patient safety measures
- 8 Preventive health measures
- 12 measures for the At-Risk Population



Notice to Beneficiaries

- ❖ Final Rule requires providers participating in an ACO to notify beneficiaries they are participating in an ACO
- ❖ As a result, the notice a beneficiary receives will come from the ACO and not directly from CMS



Beneficiary's Claim Information

- Final rule requires providers participating in an ACO to notify beneficiaries that their claim data may be shared with the ACO at the ACO's request
 - Purpose – make it easier to coordinate care
- Beneficiary is given opportunity to decline data sharing arrangements



Confusion Concerning the Notice

- After the first round of mailings the SMP received many calls
- Beneficiaries were extremely confused by the lengthy document
- Understanding the contents to counsel beneficiaries is imperative.



Beneficiary Protections

- Beneficiary retains all current Medicare rights, including freedom of choice of providers
- Provider **MAY NOT** require a beneficiary to receive services from another provider or supplier in the same ACO
- Beneficiary may receive services from any provider or hospital that accepts Medicare fee-for-service patients



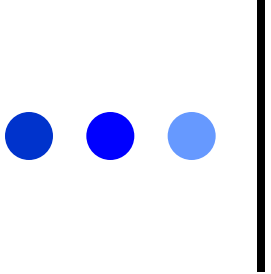
Pioneer ACO vs Shared Savings ACO

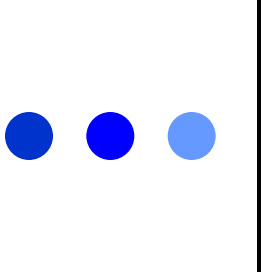
- In year 1 and 2, Pioneer ACO model have higher levels of savings and risk
- In year 3, Pioneer ACO can move to a population-based payment, with an optional year 4 and 5
- Pioneer ACOs are required to develop similar outcomes-based payment arrangements with other payers by the end of year 2



Current Status of ACOs

- 32 Pioneer ACOs have been authorized by CMs
- 6 Pioneer ACOs were awarded in California
- Awards were effective January 1, 2012

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- Under the Medicare Shared Savings Program, 27 ACOs entered into agreements with CMS
 - 5 of the 27 ACOs are participating in the Advance Payment ACO model
 - 2 of the 27 ACOs are in California
 - These agreements were effective April 1, 2012

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- As of April 1, over 1.1 million beneficiaries are now part of an ACO
 - The April 1 selected ACOs include more than 10,000 physicians, 10 hospitals and 13 smaller physician-driven organizations in both urban and rural areas
 - CMS is reviewing 150 more applications for a July 1 start in the Shared Savings Program



California Pioneer ACOs

- Brown & Toland Physicians
 - San Francisco Bay Area
- Healthcare Partners Medical Group
 - Los Angeles and Orange Counties
- Heritage California ACO
 - Southern, Central and Coastal CA



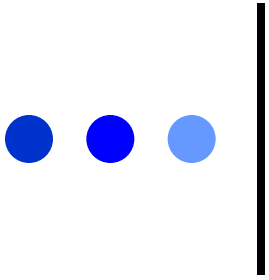
California Pioneer ACOs continued

- Monarch Healthcare
 - Orange County
- Primecare Medical Network
 - San Bernardino & Riverside Counties
- Sharp Healthcare System
 - San Diego county



California Medicare Shared Savings Program ACOs

- AppleCare Medical ACO, LLC
 - Buena Park, CA
 - Los Angeles and Orange Counties
- Premier ACO Physician Network
 - Lakewood, CA
 - Long Beach and Orange Counties



QUESTIONS??



Contact Information

California Health Advocates

Sacramento HQ – (916) 231-5110

5380 Elvas Avenue, Suite 221

Sacramento, CA 95819

www.cahealthadvocates.org