

## Part B Insider (Multispecialty) Coding Alert

### Accountable Care Organizations: CMS Outlines How Joining An ACO Will Benefit Practices, Beneficiaries

**Under the "shared savings program," ACO participants will collect a portion of the amount CMS saves.**

You've probably heard about Medicare's proposed "shared savings program," which will utilize accountable care organizations (ACOs) to improve patient outcomes and cut costs. But what you haven't heard is how CMS intends to implement the ACO program. However, that changed this week, as CMS announced that it wrote a proposed rule for the program outlining what it will include.

What are they? ACOs aim to use coordinated care between health care providers to put "the beneficiary and family at the center of care," said CMS's **Terri Postma, MD**, during an April 5 CMS call. ACOs include various healthcare professionals who work together, including physicians, hospitals, and other members of the patient's care team. This "case management" approach is intended to offer patientcentric care, resulting in better outcomes and lower costs.

According to the proposed rule, which appeared in the April 7 Federal Register, health care providers who participate in ACOs will be rewarded because Medicare will link payment rewards to patient outcomes. For instance, the proposed rule notes, "Providers should be accountable for the cost of care, and be rewarded for reducing unnecessary expenditures and be responsible for excess expenditures."

Healthcare providers will not be required to join ACOs, but those who join will share the funds that CMS saves by using the system. Doctors will collect their portion of the shared savings as bonuses under the system. "The ACOs are eligible to share in savings up to 52.5 percent under the one-sided model, but up to 65 percent under the two-sided model," Postma said.

The "one-sided model" refers to a standard shared savings type of plan in which ACOs would "not be responsible for any portion of the losses above the expenditure target," the proposed rule indicates. CMS recommends this model for "ACOs not immediately ready to accept risk," such as physician-driven organizations and smaller ACOs, the proposed rule indicates.

The two-sided model describes a shared savings/losses plan, in which the ACO would share in savings and risk liability for any losses. All one-sided ACOs will automatically become two-sided ACOs by the third year of the program.

ACOs would collect their bonuses based on how they meet 65 quality performance standard measures divided into the following five categories:

- Patient/caregiver experience
- Care coordination
- Patient safety
- Preventive health
- At-risk population/frail elderly health (such as diabetes, hypertension, COPD, coronary artery disease, and heart failure patients)

You can submit comments on the ACO program through early June via email to [www.regulations.gov](http://www.regulations.gov) or via the mail. To read more about the program or about how you can submit comments, visit the CMS Web site at [www.cms.gov/sharesavingsprogram/](http://www.cms.gov/sharesavingsprogram/).

