

## **What are some examples of different ACO models?**

According to CMS, Accountable Care Organizations (ACOs) are “groups of doctors, hospitals, and other health care providers, who come together voluntarily to give coordinated high quality care to their Original Medicare patients.” CMS has created initiatives for several different ACO models, including the Pioneer Model and the Medicare Shared Savings Program (MSSP) Model. The ACO programs were designed by the CMS Center for Innovation to help CMS test and evaluate methodologies it believes will help reduce cost and increase the quality of the care received by Medicare patients. At the same time, these plans will help transition Medicare from a primarily fee-for-service (FFS) model to a pay-for-performance or value-based reimbursement system.

The Pioneer program was created for early adopters to the idea of shared savings. The Pioneer ACOs are organizations that are already familiar with coordinating patient care through an integrated system and are prepared to assume some risk when treating their Medicare populations. Pioneer ACOs agree to an upside/downside reimbursement structure –they are rewarded with a portion of the savings realized by Medicare if they meet certain cost and quality parameters and penalized if they did not meet those parameters. When the Pioneer program began in 2012, there were 32 participating ACOs. That number has now decreased to 19, and the program is not enrolling new participants.

The Medicare Shared Savings Program (MSSP) was also designed to facilitate coordination and cooperation among providers to improve the quality of care for Medicare Fee-For-Service (FFS) beneficiaries and reduce unnecessary costs. ACOs that participate in this program, however, are not liable for losses if they fail to meet the established cost control and quality improvement benchmarks for the program. There are currently MSSP ACOS.

CMS is in the process of accepting applications for Next Generation ACOs –its newest ACO model. The Next Generation ACO Model builds on experience from the Pioneer ACO Model and the Shared Savings Program. This new model is an initiative for ACOs that are experienced in coordinating care for populations of patients. Participating provider groups will have the opportunity to assume higher levels of financial risk and reward. The program’s goal is to evaluate whether or not strong financial incentives can improve health outcomes and lower the cost of care. CMS anticipates 15 to 20 ACOs will participate in the Next Generation program for up to five years.

The types of ACOs discussed above are all a part of the effort by CMS to identify an effective way to move to a value based reimbursement scheme. Organizations participating in CMS ACOs have gone through an application process and been selected by CMS.

Not all ACOs participate in one of the CMS ACO programs. These are most commonly referred to as Commercial ACOs. Like their CMS-participating counterparts, they are also comprised of physicians, medical groups, clinics, health systems and hospitals. However, in many cases they may also include insurance companies. One goal all ACOs share is that of providing high quality care and improving efficiencies and safety, while at the same time reducing costs.