

For Immediate Release: Tuesday, April 10, 2012
Contact: CMS Office of Public Affairs
202-690-6145



FIRST ACCOUNTABLE CARE ORGANIZATIONS UNDER THE MEDICARE SHARED SAVINGS PROGRAM

On April 10, 2012, the Centers for Medicare & Medicaid Services (CMS) announced the selection of the first 27 accountable care organizations (ACOs) to participate in the Medicare Shared Saving Program (Shared Savings Program). The selected organizations have agreed to be responsible for improving care for nearly 375,000 beneficiaries in eighteen states through better coordination among providers. All ACOs that succeed in providing high quality care – as measured by performance on 33 quality measures relating to care coordination and patient safety, use of appropriate preventive health services, improved care for at-risk populations, and the patient experience of care – while reducing the costs of care – may share in the savings to Medicare.

Two of the ACOs announced today applied for a version of the program that allows them to earn a higher share of any savings, in return for which they have agreed to be held accountable for a share of any losses if the costs of care for the beneficiaries assigned to them increase.

Participation in an ACO is purely voluntary for providers, and people with Medicare retain their ability to seek treatment from any provider they wish.

Five of the 27 ACOs that are starting in April will participate in the Advance Payment ACO Model established by the CMS Center for Medicare and Medicaid Innovation (Innovation Center) to encourage rural and physician-based ACOs to participate in the Shared Savings Program. Under this model, each participating ACOs will receive advance payments to help cover the costs of establishing the infrastructure needed to coordinate care for the beneficiaries they serve. The advance payments will be repaid from shared savings earned by the ACO. If an ACO does *not* complete the full, initial agreement period of the Shared Savings Program, CMS will in most cases pursue full recoupment of advance payments.

Because the Shared Savings Program is part of the traditional Medicare fee-for-service program, beneficiaries served by these ACOs will continue to have free choice about the care they receive and from whom they seek care, without regard to whether a particular provider or supplier is participating in an ACO. The CMS is currently reviewing more than 150 applications from ACOs that are seeking to participate in the Shared Savings Program beginning July 1, of which over 50 are applying for the Advance Payment ACO Model.

Descriptions of the participating ACOs are appended to this Fact Sheet.

Background on the Shared Savings Program:

Section 3022 of the Affordable Care Act added a new section 1899 to the Social Security Act that requires the Secretary to establish the Shared Savings Program. The program is intended to encourage providers of Medicare-covered services and supplies (e.g., physicians, hospitals and others involved in patient care) to create a new type of health care entity, an ACO, that agrees to 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. Studies have shown that better care often costs less, because coordinated care helps to ensure that the patient receives the right care at the right time, with the goal of avoiding unnecessary duplication of services and preventing medical errors.

On Nov. 2, 2011, CMS published a final rule in the *Federal Register* establishing the Shared Savings Program. The final rule addressed issues relating to eligibility, governance, beneficiary rights, quality measures and performance scoring, and CMS monitoring of the ACO operations. At the same time, the Innovation Center announced an Advance Payment ACO Model to test whether providing advance payments from anticipated savings could encourage certain rural and physician-based entities to apply to participate in the program, thereby increasing the amount and speed at which ACOs can improve care for beneficiaries and generate Medicare savings.

In conjunction with the final rule, the Department of Health and Human Services Office of Inspector General, the Department of Justice, the Federal Trade Commission, and the Internal Revenue Service issued separate notices addressing a variety of legal issues as they applied to the Shared Savings Program. These included the interaction of the Shared Savings Program with the federal anti-kickback, physician self-referral, civil monetary penalty (the fraud and abuse laws) and antitrust laws, as well as the Internal Revenue Code regarding

the tax implications for nonprofit entities seeking to participate in ACOs. The final rule, the notice of the Advance Payment ACO Model, and the regulatory guidance on fraud and abuse were published in the Nov. 2, 2011 *Federal Register*.

The final rules offered ACOs the option for the first year of the program of starting on either April 1 or July 1, 2012. CMS will announce the date for submission of applications to participate in the Shared Savings Program beginning in 2013 later this year.

More information about all ACO initiatives at CMS can be found at:

<http://www.cms.gov/aco>

More information about the Shared Savings Program can be found at:

<http://www.cms.hhs.gov/sharedsavingsprogram/>

More information about the Advance Payment ACO Model can be found at:

<http://innovations.cms.gov/initiatives/ACO/Advance-Payment/index.html>

Links to the statute, regulations, and guidance regarding the final rule, including the guidance issued by the federal agencies listed above can be found at:

http://www.cms.gov/SharedSavingsProgram/30_Statutes_Regulations_Guidance.asp

APPENDIX

SUMMARIES OF ACOS SELECTED FOR APRIL 1, 2012 START-UP

Accountable Care Organization/Collaborative Health Systems Partnerships

The following Accountable Care Organizations (ACOs), which will serve beneficiaries in eight states, are partnerships between local health care providers and Collaborative Health Systems (CHS), which will provide a range of care coordination, analytics and reporting, technology and other administrative services to enable physicians and other healthcare professionals to deliver quality healthcare efficiently. This collaboration is designed to achieve the CMS goal of the three part aim objectives of better overall care, improved

health and lower per capita costs for Medicare Fee-for Service beneficiaries attributed to the ACO

- **Accountable Care Coalition of Caldwell County, LLC**

The Accountable Care Coalition of Caldwell County, LLC is an ACO formed in partnership between Caldwell Memorial Hospital, Inc. and CHS. Caldwell Memorial Hospital, which opened in 1951, serves the people of Caldwell County, NC, and represents more than 50 provider practitioners, serving more than 5,000 Medicare beneficiaries.

- **Accountable Care Coalition of Coastal Georgia**

The Accountable Care Coalition of Coastal Georgia is an ACO formed in partnership between South Coast Medical Group, LLC and CHS. It will serve approximately 8,000 beneficiaries in the Savannah, Georgia, area.

- **Accountable Care Coalition of Eastern North Carolina, LLC**

The Accountable Care Coalition of Eastern North Carolina, LLC is an ACO formed in partnership between The Atlantic Integrated Health Network (AIHN) and CHS. AIHN, which was founded in 1994 and now includes more than 6,400 physicians and other health care providers, is one of the oldest self-sustaining physician-led networks in North Carolina. It is expected to serve nearly 10,000 beneficiaries.

- **Accountable Care Coalition of Greater Athens Georgia**

The Accountable Care Coalition of Greater Athens Georgia is an ACO formed in partnership between the Coalition of Athens Area Physicians, Inc. and CHS. It is expected to serve approximately 8,500 beneficiaries.

- **Accountable Care Coalition of Mount Kisco, LLC**

The Accountable Care Coalition of Mount Kisco, LLC is an ACO formed in partnership between Mount Kisco Medical Group, PC, and CHS. Mount Kisco Medical Group is a multi-specialty medical provider that offers medical care to patients at 25 locations. It is comprised of more than 270 physicians representing 40 different medical specialties throughout the Mount Kisco, New York area.

- **Accountable Care Coalition of the Mississippi Gulf Coast, LLC**

The Accountable Care Coalition of the Mississippi Gulf Coast, LLC is an ACO formed in partnership between Mississippi Coast Physicians, Inc. and CHS. It is expected to serve nearly 7,000 beneficiaries.

- **Accountable Care Coalition of the North Country, LLC**

The Accountable Care Coalition of the North Country, LLC is an ACO formed in partnership between North Country Physicians Organization, PLLC (NCPO) and CHS. NCPO is a multi-specialty medical provider that offers the medical care to patients at various locations in New York, including Potsdam, Canton, Massena, Ogdensburg, Gouverneur, and Malone. It is comprised of more than 170 physicians representing 30 different medical specialties. It is expected to serve about 5,300 beneficiaries.

- **Accountable Care Coalition of Southeast Wisconsin, LLC**

The Accountable Care Coalition of Southeast Wisconsin, LLC is an ACO formed in partnership between Independent Physician Network, Inc. (IPN) and CHS. IPN was established in 1984 and has grown to include more than 900 member physicians who serve more than 130,000 patients in southeastern Wisconsin. The ACO is expected to serve nearly 10,000 beneficiaries.

- **Accountable Care Coalition of Texas, Inc.**

The Accountable Care Coalition of Texas, Inc. is an ACO created through a partnership between an affiliation of Independent Physician Associations, medical groups and health systems in the Houston/Beaumont area of Texas and CHS. The founders of Accountable Care Coalition of Texas, Inc. have a long history of working together collaboratively to deliver quality care efficiently. Their care coordination approach helps physicians give the right care at the right time to Medicare patients, especially the chronically ill, and reduce unnecessary services. The ACO is expected to serve nearly 70,000 beneficiaries.

AHS ACO, LLC

The Atlantic ACO includes a partnership with The Valley Hospital in Ridgewood, NJ, and participation from more than 1,300 physicians, including more than 200 primary care physicians, 50 nurse practitioners and 10 ancillary care providers in five regions: Bergen,

Morris, Somerset, Sussex, and Union counties. Through its participating physicians, hospitals, and staff, Atlantic ACO is committed to improving the quality of health care and reducing the individual and clinical health care costs for the Medicare population served in these regions. Atlantic Health System includes Morristown, Overlook, and Newton medical centers and Goryeb Children's Hospital. Atlantic ACO will care for nearly 50,000 beneficiaries.

AppleCare Medical ACO, LLC

AppleCare Medical ACO is a network of physicians that provide care to patients throughout Southern Los Angeles County and Orange County. Owned and managed by physicians, AppleCare Medical ACO partners with more than 800 physicians in the region, as well as major hospitals and medical centers across Southern California to provide access to a full spectrum of facilities for receiving whatever care a patient may require. AppleCare Medical ACO is affiliated with AppleCare Medical Group. The ACO is expected to serve nearly 8,000 beneficiaries.

Arizona Connected Care, LLC

Arizona Connected Care is a collaboration of independent health care providers in Tucson and Southern Arizona, including more than 150 physicians, three Federally Qualified Health Centers and Tucson Medical Center. While building on Patient-Centered Medical Home methods to improve access to team-based primary care services, Arizona Connected Care is also committed to aligning efforts of specialists and institutions to assure that patients throughout the community have access to necessary services, in a supportive and education-based health care environment. Engaging patients directly in their own care should lead to improved decision-making, quality of life and better use of community health resources. Arizona Connected Care will re- focus on basics, providing patients with access to information and extra resources to assist with transitions between care settings – “hospital to home”, ensuring that patients (especially those with chronic conditions) get the right care, at the right time, in the right setting. The ACO is expected to serve nearly 7,500 beneficiaries.

Chinese Community Accountable Care Organization

The Chinese Community ACO will operate in New York City's Chinese community and will focus its efforts on providing culturally competent care to its patients while improving their

healthcare and reducing costs. This collaboration of physicians with expertise in caring for this underserved, minority population with special considerations will work with its community partners, hospitals (e.g. Beth Israel Medical Center, New York Hospital Queens, Lutheran Medical Center and Flushing Hospital), visiting nurse service agencies, home care service agencies, churches, senior centers, and senior social day care centers, etc. It will engage patients and their families to participate in their care plans and disease management. The ACO is expected to serve nearly 12,000 beneficiaries.

CIPA Western New York IPA, doing business as Catholic Medical Partners

Located in Buffalo, NY, Catholic Medical Partners is a network of more than 900 independent practicing physicians, Catholic Health and Mount St. Mary Hospital dedicated to serving the people of Erie and Niagara counties. Through the development and implementation of clinical integration programs, Catholic Medical Partners and its providers are focused on improving the efficiency, safety and quality in delivering medical care based on coordination, an educated and involved patient population and the sharing of information and resources that will make a difference in patients' lives. The ACO is expected to serve more than 31,000 beneficiaries.

Coastal Carolina Quality Care, Inc.

Coastal Carolina Quality Care is an ACO created to serve Medicare fee-for-service beneficiaries in North Carolina. Coastal Carolina Health Care, the ACO's sole participant, is a physician-owned and operated medical practice with over 50 providers. The majority of these providers are Family Practice and Internal Medicine. In addition, the medical practice offers subspecialty care which includes Cardiology, Critical Care, Gastroenterology, Hematology, Oncology, Neurology, and Pulmonology. The medical group cares for more than 11,000 Medicare fee-for-service beneficiaries which accounts for more than half of its care delivered. The medical group works closely with the area's hospitals, nursing homes, home health and hospice providers, free clinics, and other community providers and plans to take steps to strengthen these relationships through this program.

Crystal Run Healthcare ACO, LLC

Crystal Run Healthcare is a multi-specialty group with over 200 providers, in over 40 medical specialties with 15 practice locations. Its treatment decisions are based on nationally

accepted, evidenced –based guidelines. It is expected to serve nearly 10,000 beneficiaries in New York and Pennsylvania.

Florida Physicians Trust, LLC

Florida Physicians Trust, LLC represents a diverse group of independent physicians, including both Doctors of Medicine and Doctors of Osteopathic Medicine, who have jointly created a patient-centric approach to providing quality service across the entire spectrum of care for beneficiaries in Florida. The ACO will provide care coordination, stressing communication, medical information exchange, and team based care among primary care physicians and specialists. The ACO is expected to serve about 16,500 beneficiaries.

Hackensack Physician-Hospital Alliance ACO, LLC

HackensackUMC, a non-profit teaching and research hospital located in Bergen County, New Jersey, is the largest provider of inpatient and outpatient services in the state. This 775-bed facility provides a broad spectrum of care in a number of facilities, including the Heart & Vascular Hospital, the John Theurer Cancer Center, the Joseph M. Sanzari Children’s Hospital, and the Donna A. Sanzari Women’s Hospital. The ACO is expected to serve approximately 11,000 beneficiaries.

Jackson Purchase Medical Associates, PSC

The Jackson Purchase Medical Associates consists of six medical groups, all sharing the same mission and desire to provide high quality medical care to its community. The facilities offer full service on site laboratory and diagnostics. The six medical groups are: Ballard County Medical Clinic - a walk in clinic that was developed as a cooperative effort between Ballard County and the City of Barlow and Jackson Purchase Medical Associates and is located in Barlow, KY; Internal Medicine Group - an 8 physician practice; Paducah Endocrinology - a single physician practice dedicated to the treatment of diabetes and metabolic disorders; Paducah Family Medicine - a 3 physician family practice; Paducah Rheumatology - a single physician practice dedicated to the treatment of arthritis and connective tissue diseases, including rheumatoid arthritis, osteoarthritis, lupus, scleroderma, gout, vasculitis, and other inflammatory disorders; RediCare - a physician led walk in center; and Western Kentucky Kidney Specialists - a 2 physician practice dedicated to treating diseases of the kidney. The Jackson Purchase Medical Associates, PSC serves

Medicare beneficiaries in the Jackson Purchase area of Western Kentucky centered in Paducah. The ACO is expected to serve nearly 6,000 beneficiaries.

Jordan Community ACO

The Jordan Community ACO is a not-for-profit organization based in Plymouth, Massachusetts and founded in 2012. The Jordan Community ACO consists of more than 100 physicians from Plymouth Bay Medical Associates, Jordan Physician Associates, and a number of specialty physicians from Jordan Hospital. Together, the Jordan Community ACO physicians coordinate the healthcare of more than 6,000 Medicare beneficiaries in Plymouth and Barnstable Counties. This approach ensures that patients receive the right care from the right provider at the right time, making it possible to identify and address problems early, before hospital care becomes necessary.

North Country ACO

North Country Accountable Care Organization (North Country ACO), located in Littleton New Hampshire, is dedicated to promoting better care coordination, improving patient outcomes and creating a collaborative environment across healthcare systems in rural northern New Hampshire and Vermont. Participants of the North Country ACO include Ammonoosuc Community Health Services, Coos County Family Health Services, Indian Stream Health Center and Mid-State Health Center. All of the North Country ACO participants are members of North Country Health Consortium (NCHC). The community health centers have relationships with each other, as well as strong associations with their community partners, including community hospitals, home health agencies, community mental health centers, and emergency medical services. Collaboration through this long-standing, unique rural network provides critical opportunities for coordination which result in reduced hospital re-admissions and emergency department use, and improved health outcomes. The ACO is expected to serve nearly 6,000 beneficiaries.

Optimus Healthcare Partners, LLC

Optimus Healthcare Partners, LLC, located in Summit, New Jersey, is a physician-governed ACO comprised of over 500 primary and specialty physicians working closely together to serve patients in the following New Jersey counties: Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, and Union. Optimus is dedicated to improving the quality of care for its patients through patient centered models of care,

promoting evidence based medicine, improved outcomes, and enhancing our patients' experience and satisfaction. The most important innovation Optimus provides is "clarity and culture"; putting the patient first, rebuilding the healthcare system's culture of compassion, and then applying an accountable framework that drives quality and affordability. The ACO is expected to serve nearly 29,000 beneficiaries.

Physicians of Cape Cod ACO Description of Organization

Physicians of Cape Cod ACO has been coordinating care for beneficiaries through a managed care program for 10 years, and intends to bring the expertise developed in that program to the ACO model for fee-for-service beneficiaries. It is expected to serve approximately 5,000 beneficiaries living in Cape Cod, Massachusetts.

Premier ACO Physician Network

Premier ACO Physicians Network is a subsidiary of Lakewood IPA, which has more than 25 years of experience in providing and managing capitated health care services to patients in the Greater Long Beach and Orange County areas. The physicians of Premier ACO, who also serve patients of the IPAs, will bring the expertise they have developed in the capitated health care context to care coordination in Medicare's fee-for-services program. The ACO is expected to serve about 12,500 beneficiaries.

Primary Partners, LLC

Primary Partners mission is to provide quality, clinically integrated patient-centered care while allowing primary care physicians to continue operating independent practices. Its participating primary care physicians are located in Lake, Orange, Osceola and Polk Counties. It is expected to serve about 7,500 beneficiaries.

RGV ACO Health Providers, LLC

RGV ACO Health Providers, LLC (ACO) is a comprehensive, patient-centered ACO composed of six primary care group practices with ten clinic locations collaborating to coordinate the provision of quality medical care through its provider participants. Located in Hidalgo County, Texas, the ACO serves the South Texas populations of Weslaco, Mercedes, Elsa, Donna, Mission and surrounding communities. The ACO participant providers will be able to offer their patients assigned care coordinators, a nutritionist and extended hours of

operation to improve the access and the quality of care of the population served by the ACO and its participating providers. With the implementation of “medical homes”, this particular ACO is designed to increase patient access to providers 24 hours-a-day. The ACO is expected to serve over 6,000 beneficiaries.

West Florida ACO, LLC

West Florida ACO, LLC (ACO) is comprised of over 30 participating primary care physicians and specialists. The ACO will focus on coordination of care and quality programs geared towards the geriatric population. The ACO leadership has substantial experience with quality of care and efficiency improvement initiatives, including, but not limited to, service as medical directors, clinical oversight directors and clinical co-management program directors. The ACO is expected to serve more than 10,000 beneficiaries.