

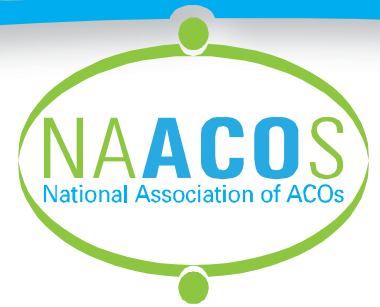
PRESS RELEASE

November 17, 2015, Washington DC

National Association of ACOs Comments on Medicare CCJR Final Rule

The National Association of ACOs is disappointed that CMS has not accepted the recommendation of the major healthcare organizations about how ACOs are treated in the large scale mandatory demonstration of Comprehensive Care for Joint Replacement (CCJR). The final rule removes the opportunity for Medicare ACOs to share in any savings and provides no incentives for ACOs and CCJR hospitals to partner in the coordination of the beneficiary's care. The recommendation of NAACOS and numerous other healthcare associations would have excluded the ACO beneficiaries from the demonstration unless a CCJR hospital had an agreement with the ACO to partner in coordinating care. Further, the gain sharing legal technicalities of the CCJR (and any other CMS bundled payment program) preclude, even if an agreement were in place between the hospital and ACO, the sharing of financial gain. This is because ACOs are technically not a "collaborator" in CMS's classification of organizations that can gain-share. Why are SNFs, HHAs, LTCHs, IRFs, etc included but not ACOs? CMS could have easily modified that definition for CCJR purposes and allowed gainsharing with an ACO when they and a hospital had signed an agreement to collaborate. NAACOS CEO, Clif Gaus, noted that "ACOs are facing a plethora of financial challenges under the current CMS rules and this decision only adds to their burdens. CMS has chosen to encourage the carve-out of joint replacement patients from the population health model on which ACO are founded. Our recommendations would have preserved the precedence and commitment to population health, encouraged coordination between ACOs and hospitals, and still allowed for the CCJR demonstration to be tested in those areas without agreements or functioning ACOs."

As the final rule now stands, the reconciliation of an ACO's financial performance will be adjusted for the results of the CCJR patients and thereby removed from any opportunity for the ACO to benefit financially from this demonstration. This chipping away at the ACOs' opportunity to improve care and lower costs raises the fundamental question: Are CMS's value-based payment models moving the nation to a fractured carved-out care system or driving us in the direction of population health? CMS is undertaking numerous



other specialized payment models such as Comprehensive ESRD Care Model, Oncology Care Model, Bundled Payment for Care Improvements, etc. These combined will siphon off a significant opportunity for ACOs to provide comprehensive care to Medicare beneficiaries and undermines the success of the ACO movement.

We respectfully request CMS to not only reconsider their position with respect to ACOs and all bundled payment demonstrations but also provide incentives for hospitals and ACOs to work together in providing comprehensive care for Medicare beneficiaries.

Contact:

Clifton Gaus

202-640-1898