NAACOS MEMBERSHIP UPDATE

Spring 2015 Conference Registration Opens November 4!

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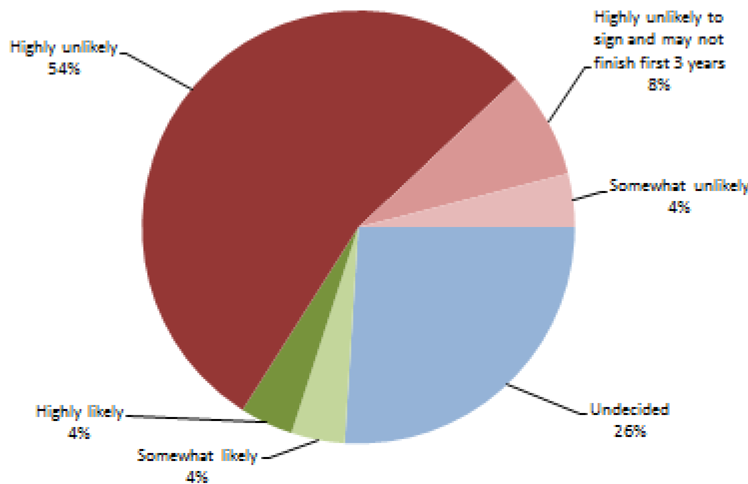
November 3, 2014

NAACOS TRACKING SURVEY RESULTS

TWO OUT OF THREE ACOS STILL PLAN TO LEAVE PROGRAM

NAACOS continues to track the plans of ACOs to stay in the Medicare Shared Savings Program and results from the October 2014 survey show that two out of three (2/3) MSSP ACOs are highly unlikely or somewhat unlikely to remain in the ACO Program. This is exactly the same as in our April 2014 survey but the additional category of "undecided" was added. This resulted in almost all of the ACOs that said in April that they were likely to sign a contract moving to the undecided category. As a result, only 8% of ACOs are likely to sign a second contract and 92% either unlikely or undecided. NAACOS President, Clif Gaus, commented "this continues to be the most troubling aspect of the Medicare Shared Savings Program and must be sufficiently addressed in the upcoming CMS proposed rules or the MSSP will no longer exist and the high hopes of DC policy-makers to migrate ACOs to two-sided risk will be impossible."

Two-Sided Risk Acceptance



NAACOS 2015 SPRING CONFERENCE NEWS

Conference Dates
April 1-2, 2015

Pre-conference workshops: March 31

Registration
Opens November 4 – register early to take advantage of significant discounts!

Hotel
The hotel room block is now open. Book your room now to get our conference discount.

Hilton Baltimore
401 W. Pratt Street
Baltimore, MD 21201

More information on the agenda, exhibits and sponsor opportunities, and hotel can be found at https://conferences.naacos.com/sp2015/index.htm

OPERATING COSTS UPDATE

NAACOS continues to be concerned about the significant investment ACOs are making to sustain their operations. We define those management costs to include, administration, data, compliance, and care coordination costs among others that would not otherwise have been incurred. These did not include costs prior to the operation of their first or current performance year. ACO respondents reported an annual mean of $1.5 million management costs directly attributable to ACO operations. Our previous survey included a higher percent of first year ACOs and that estimate was $2.0 million.

MORE ON MSSP ACO PERFORMANCE YEAR ONE RESULTS

In a September 17th press release, NAACOS briefly outlined MSSP ACO performance year one (PY1) results. (See: https://www.naacos.com/pdf/CMS_September_16_Press_Release.pdf.) We have subsequently conducted further analysis and have reached out to several research organizations to compare our research with their conclusions. We were interested in learning how ACOs would have performed if PY1 quality scores were not "pay for reporting" but counted in reconciliation. Our analysis shows that no ACO would have had a perfect quality score, and every ACO that achieved shared savings with CMS would have had those savings reduced by the quality scores. For those ACOs that did achieve shared savings, their total savings would have been reduced in sum by approximately 25% if PY1 was "pay for quality". For all successfully reporting ACOs in PY1, approximately 10% had a mean quality score in the 80th to 90th percentile range. About 50% fell in the 70th to 80th percentile for quality, 25% in the 60th to 70th percentile, 12% in the 50th to 60th percentile, and the remaining below the 50th percentile. "The irony is that despite the difficult bar that CMS has set for ACOs to both earn and keep any cost savings, the MSSP as a whole has shown remarkable quality performance and improvement compared to Fee-For-Service. The huge investment by ACOs in improved care goes largely unrewarded" said Clif Gaus, NAACOS President.

CMS AND HHS OIG EXTEND ACO WAIVERS

This past October 16th, CMS and the HSS Office of the Inspector General jointly announced they were extending five fraud and abuse waivers granted to ACOs in 2011 to November 2, 2015. These waivers were set to expire next month or in early November. They pertain to the so called Stark law, the federal anti-kickback statute, and certain provisions of the civil monetary penalties law. The government was careful to note extending the waiver rather than issuing a final rule "should not be viewed as a diminution of the Department's commitment to foster the success of the Shared Savings Program." Along with extending the waivers, the announcement also solicited ACOs and stakeholders to comment on how and to what extent ACOs are using the waivers, whether the waivers serve ACO needs and the Medicare program, whether the waivers adequately protect the program and beneficiaries and whether there are now or changed considerations that should inform additional notice and rule making. (The federal register notice can be found at: http://www.gpo.gov/fdsys/pkg/FR-2014-10-17/pdf/2014-24663.pdf.)

CMS ANNOUNCES "TRANSFORMING CLINICAL PRACTICE INITIATIVE"

On October 23rd CMMI announced an $840 million initiative to fund over the next four years the adaptation of comprehensive quality improvement strategies that CMS hopes will reach or support 150,000 hospital and physician practices (both primary and specialty) as well as NPs, PAs and pharmacists. The program's goals generally are to save $1 to $4 billion and reduce unnecessary hospitalizations by 5 million. These cooperative agreements will be in two forms: $670 million will be awarded to Practice Transformation Networks that will provide peer-based learning networks to develop core competencies and practice transformation; and $30 million to fund Support and Alignment Networks that will provide workforce development using professional associations and public-private partnerships.

Through this initiative, CMS will invest in the creation of evidence-based, peer-led collaborative and practice transformation networks to support clinicians and their practices as they move towards and navigate a value-based health care system that rewards value and high quality care. The initiative aligns with the criteria for innovative models set forth in the Affordable Care Act:

- Promoting broad payment and practice reform in primary care and specialty care,
- Promoting care coordination between providers of services and suppliers,
- Establishing community-based health teams to support chronic care management, and
- Promoting improved quality and reduced cost by developing a collaborative of institutions that support practice transformation.

To apply, applicants are encouraged, but not required, to submit a letter of intent by November 20, 2014. Applications are due to CMS no later than January 6, 2015. Applications received after this date will not receive consideration for the cooperative agreement funding opportunities. CMS anticipates announcing awards in Spring/Summer 2015. NAACOS acknowledges a significant crossover effect with the existing ACO models and this new initiative from CMS and plans to keep close watch on the development of this program while offering insight in the coming days. More information can be found here: http://innovation.cms.gov/initiatives/Transforming-Clinical-Practices/.