

## **CMS ISSUES REVISED ACCOUNTABLE CARE ORGANIZATION REGULATIONS**

As anticipated in our Summer 2011 Newsletter, on October 20, 2011 the Centers for Medicare and Medicaid Services (CMS), in response to widespread criticism of its original proposed regulations, issued revised final regulations regarding Accountable Care Organizations (ACOs) incorporating significant changes.

ACOs are designed to manage the care of a designated population of Medicare beneficiaries in a comprehensive manner, and to allow the ACO participants to share in any cost savings they may generate.

Among other things, the 700 pages of revised final regulations (i) reduce by half the number of quality measures required to be met to share in cost savings, (ii) modify one of the proposed ACO payment models to eliminate the risk-sharing aspects thereof, (iii) increase the potential bonuses which may be received by ACO participants, and (iv) provide for the prospective (as opposed to retrospective) assignment of Medicare enrollees to ACOs.

It should be kept in mind that, regardless of the health care community's reaction to the revised CMS regulations, they only pertain to Medicare patients and private payors are free to structure and implement their own programs to reward participants for the delivery of care in a high-quality, cost-effective manner. ■

*Please contact Joshua S. Levine, Esq., with any questions about ACOs.*

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