Dec. 2, 2010

Given the new direction for the nation’s health system, the AMA has developed *Health System Reform Insight* to help you understand the health system reform legislation and what it means to you and your patients.

**AMA makes recommendations to CMS for physician-led, patient-centered ACOs**

The AMA submitted its most detailed comments (PDF) to date to the Centers for Medicare & Medicaid Services (CMS) on how Medicare should structure physician-led and patient-centered accountable care organizations (ACOs). The recommendations were submitted today, Dec. 2, in response to a specific request from CMS for comments on how to ensure that solo and small group practices have the opportunity to actively participate in Medicare’s ACO program.

**Top recommendations**

The AMA's recommendations to CMS on structuring physician-led ACOs include:

- Developing new payment models for physicians that move Medicare away from today's dysfunctional physician payment system—the threat of Medicare physician payment cuts will impede physicians’ efforts to improve care coordination, such as employing case managers and investing in infrastructure to monitor and improve quality
- A range of specific new payment methods that CMS should consider in addition to shared savings, including an accountable medical home payment system and bundled payments for specific medical conditions, such as congestive heart failure
- Increased access to loans and grants for small physician practices
- Easing of antitrust restrictions that prevent physicians from collaborating
- Timely access to quality data

The AMA also urges CMS to allow patients to voluntarily select a Medicare ACO and to undertake a proactive effort to educate and encourage beneficiaries to take steps that will help make ACOs successful. For example, patients should be able to:

- Choose and consistently use a primary care physician as a medical home
- Select specialty physicians, hospitals and other providers that coordinate effectively with their primary care medical home and each other
- Engage in shared decision-making processes with their physicians about appropriate treatments for their conditions
- Participate in other types of programs developed by their physicians to maintain and improve their health at an affordable cost

This education effort should be developed in cooperation with physicians and launched well in advance of the ACO program’s initiation.

The AMA also makes recommendations on the types of quality measures ACOs should use. At least in the initial years of the program, CMS should avoid making ACOs collect and report quality measures beyond those already required under other CMS programs, such as the Physician Quality Reporting System (PQRS), formerly known as the Physician Quality Reporting Initiative.
Although additional quality measures may ultimately be warranted, it is impractical to develop a single national set of such measures prior to implementation of the Medicare Shared Savings Program, because the areas where ACOs will focus their cost reductions will likely vary significantly from region to region. Furthermore, measures that may be appropriate for one ACO model may not be appropriate for another. ACOs should be allowed to report on a hybrid of nationally and locally focused quality measures related to their particular patient population.

**Physician-led ACOs will encourage innovation, competition**

When the AMA submitted its comments, AMA President Cecil B. Wilson, MD, said, “The physician-led ACO model injects competition into the market by eliminating the need for consolidation under a hospital system. Competition fosters innovation, which ultimately helps patients receive efficient, high-quality care. Care coordination is vital, and physicians can work together with a health care team to keep patients healthy and out of the hospital while maintaining independent medical practices. CMS should adopt policies that facilitate physician-led ACOs and do not inadvertently bias participation in favor of large health systems and hospitals. Our goal is to ensure that new models of care benefit patients, and for this to happen physicians must be able to successfully participate in and lead ACOs.”

[Learn more](#) about the AMA’s advocacy efforts on ACOs.