

## HEALTH LAW UPDATE

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### ACOs -- NCQA RELEASES STANDARDS AND MEASURES; SEEKS PUBLIC COMMENT

The National Committee on Quality Assurance (NCQA) has produced the first definitive set of standards for qualifying as an accountable care organization (ACO), in response to the Patient Protection and Accountable Care Act, and is seeking public comments on the various standards and measures by November 19, 2010. NCQA convened an ACO task force to develop a clear set of standards to assess the core capabilities of entities and to assure the success of the ACO movement. With the publication of these standards, the Centers for Medicare and Medicaid Services (CMS) has a clear manner in which to assess capabilities and improve the likelihood of a potential ACO's success and provide a blueprint and a pathway with very clear stages to achieve full ACO capability.

NCQA defines ACOs as provider-based organizations that assume responsibility for meeting the healthcare needs of a defined population with the goal of simultaneously improving health, improving the patient experience and reducing per capita costs. However, there is an express recognition by NCQA that the manner in which providers will organize themselves to accept accountable payment will vary based on existing practice structures in a region, population needs or local environmental factors. The standards acknowledge that a variety of services may be provided, including insurance products. There is recognition that, at a minimum, ACOs must include a group of physicians with a strong primary care base and sufficient other specialties that support the care needs of a defined population of patients.

A well-run ACO should align the clinical and financial incentives of its providers. Providers will need to be clinically integrated and work together to seamlessly coordinate care for assigned patients. . . .

The standards also provide guidance regarding the level of administrative infrastructure to manage budgets, collect data, report performance and make payments related to performance and organize providers around shared goals.

The NCQA-proposed standards are aligned with CMS's triple-aim goals of achieving costs savings, improving quality and improving the patient experience.

By coordinating and integrating care, ACOs have the potential to simplify the care process for patients, enhance quality and reduce costs.

According to NCQA, the standards set forth qualifying criteria and monitoring criteria and were informed by guiding principles set forth by the American College of Physicians, American Association of Family Practice and the American Medical Group Association. They outline five guiding principles as follows:

1. ACOs must have a strong foundation of primary care.
2. ACOs must report reliable measures to support quality improvement and eliminate waste and inefficiencies to reduce cost.
3. ACOs are committed to improving quality, improving patient experience and reducing per capita costs.
4. ACOs work cooperatively towards these goals with stakeholders in a community or region.
5. ACOs create and support a sustainable workforce.

The standards contemplate that organizations may achieve one of four levels of scoring for ACOs. The levels are based on an organization's demonstrated capability to function as an accountable entity and to achieve the CMS triple aims. The assessment is achieved by measuring the entity via seven criteria that go into great detail relating to:

1. Program structure operations;
2. Access and availability for patients;
3. Primary care;
4. Care management and the integration of data;
5. Care coordination and transitions between primary care and specialty care;
6. Patient rights and responsibilities and how an organization manages privacy issues; and
7. Performance reporting criteria.

NCQA is interested in how organizations may immediately use the measures to demonstrate performance. Based on past experience and the specific requests by the industry to use NCQA accreditation of medical homes as a deeming mechanism to assure compliance with multiple legal issues, the likelihood of NCQA standards for ACOs becoming a deeming standard for CMS is very high.

For more information about the draft ACO standards, ACO development or regarding the best manner to provide comments, please contact Susan Feigin Harris, [sharris@bakerlaw.com](mailto:sharris@bakerlaw.com) or 713.646.1307.