

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



# Improving Quality of Care for Medicare Patients: Accountable Care Organizations



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## Overview

The Centers for Medicare & Medicaid Services (CMS), an agency within the Department of Health & Human Services (HHS), finalized regulations under the Affordable Care Act to allow doctors, hospitals, and other health care providers to better coordinate care for Medicare patients through Accountable Care Organizations (ACOs). Participation in an ACO creates incentives for health care providers to work together to treat an individual patient across care settings—including doctor’s offices, hospitals, and long-term care facilities. The Medicare Shared Savings Program (Shared Savings Program) will reward ACOs that lower their growth in health care costs while meeting performance standards on quality of care and putting patients first. Provider participation in an ACO is purely voluntary.

In developing the program regulations, CMS worked closely with agencies across the Federal government to ensure a coordinated and aligned inter- and intra-agency effort to facilitate implementation of the Shared Savings Program.

CMS encourages all interested providers and suppliers to review the program’s regulations and consider participating in the Shared Savings Program.

This booklet describes the quality measures and the method for scoring an ACO’s performance for purposes of meeting the quality performance standard under the Shared Savings Program.

## ACO Quality Measures and Performance Scoring Methodology

### Quality Measures

Thirty-four individual measures of quality performance are used to determine if an ACO qualifies for shared savings. These 34 measures span four quality domains: Patient Experience of Care, Care Coordination/Patient Safety, Preventive Health, and At-Risk Population. The list of measures is included as an appendix to this fact sheet. The ACO quality measures align with those used in other CMS quality programs, such as the Physician Quality Reporting System (PQRS) and the Electronic Health Record (EHR) Incentive Programs. The ACO quality measures also align with the National Quality Strategy and other HHS priorities, such as the Million Hearts Initiative.

### Shared Savings Goals



**Better** care for patients



**Better** health for our communities



**Lower** Medicare Fee-for-Service costs through improvements for the health care system

In developing the program's quality measures, CMS listened to industry concerns about focusing more on outcomes and considered a broad array of measures that would help to assess an ACO's success in delivering high-quality health care at both the individual and population levels. CMS also sought to address comments that supported adopting fewer total measures that reflect processes and outcomes, and aligning the measures with those used in other quality reporting programs, such as the PQRS. In subsequent years, CMS made changes to the measure set adding new measures that ACOs must report and retiring measures that no longer aligned with updated clinical guidelines.

## Reporting

The measures are reported through a combination of a web interface designed for clinical quality measure reporting and patient experience-of-care surveys. In addition, CMS claims and administrative data are used to calculate other measures in order to reduce administrative burden. ACOs are responsible for selecting and paying for a CMS-certified vendor to administer the patient survey and report the results.

## Quality Performance Scoring

As required by the Affordable Care Act, before an ACO can share in any savings created, it must demonstrate that it met the quality performance standard for that year.

Pay for performance will be phased in over an ACO's first agreement period. For the first performance year of an ACO's first agreement period, CMS has defined the quality performance standard at the level of complete and accurate reporting for all quality measures. During subsequent performance years of the first agreement period, the quality performance standard is phased in such that ACOs must continue to report all measures completely and accurately, but will eventually be assessed on performance. During subsequent agreement periods, ACOs must continue to report all measures completely and accurately and will continue to be assessed on performance.

New measures added to the program's quality measure set will be pay for reporting for the first 2 years for all ACOs, regardless of the year of their agreement period. If a measure owner determines that a measure in the program's measure set no longer meets best clinical practice, due to clinical guideline changes or clinical evidence suggesting that the continued collection of the data may result in harm to patients, CMS will maintain the measure as pay for reporting or revert the measure to pay for reporting if the measure had transitioned to pay for performance status.

The quality measure phase-in approach is detailed in the [Appendix](#).

CMS establishes benchmarks for ACO quality measures. The benchmarks are set for two reporting years and are released prior to the start of the first performance year in which they will apply. For pay for performance measures, the minimum attainment level is set at 30 percent or the 30th percentile of the performance benchmark. Performance benchmarks are established using national Fee-For-Service (FFS) data or a flat percentage for measures where the 60th percentile is equal to or greater than 80 percent and measures where the 90th percentile is equal to or greater than 95 percent. Performance equal to or greater than the minimum attainment level for a measure will receive points on a sliding scale based on the level of performance. Performance at or above 90 percent or the 90th percentile of the performance benchmark will earn the maximum points available for the measure.

CMS adds the points earned for the individual measures within each domain and divides by the total points available for the domain to determine each of the four domain scores. The domains are weighted equally and scores averaged to determine the ACO's overall quality performance score and sharing rate. Beginning with the 2015 performance year, ACOs may also receive a quality improvement reward where they may earn up to 4 additional points per domain for improving quality performance. The total number of points earned cannot exceed the total possible points for the domain in the absence of the quality improvement measure.

In addition to the measures used for the quality performance standards for shared savings eligibility, CMS will also use certain measures for monitoring purposes, to ensure ACOs are not avoiding at-risk patients or engaging in overuse, underuse, or misuse of health care services.

### **Incorporation of the PQRS and Value Modifier into the Shared Savings Program**

The Affordable Care Act allows CMS to incorporate the PQRS and Value Modifier reporting requirements into the Shared Savings Program. If the ACO satisfactorily reports clinical quality measures through the CMS web interface, all eligible professionals (physicians and practitioners) billing through an ACO participant Taxpayer Identification Number (TIN) will avoid the PQRS payment adjustment and the Value Modifier automatic downward adjustment. If an ACO fails to satisfactorily report quality measures through the CMS web interface, all eligible professionals (physicians and practitioners) billing through an ACO participant TIN will be subject to the PQRS payment adjustment and the Value Modifier automatic downward adjustment. More information about the PQRS payment adjustment can be found at <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/Payment-Adjustment-Information.html> on the CMS website. Also visit the Physician Feedback and Value Modifier program web page for more information: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram>.

## Resources

The Shared Savings Program final rules can be downloaded from the Government Publishing Office (GPO) website at <https://www.gpo.gov/fdsys/pkg/FR-2011-11-02/pdf/2011-27461.pdf> (November 2011 final rule) and <https://www.gpo.gov/fdsys/pkg/FR-2015-06-09/pdf/2015-14005.pdf> (June 2015 final rule) on the GPO website.

The Shared Savings Program quality standard aligns with other CMS quality reporting programs. Updates to the quality standard are made annually in the Physician Fee Schedule rule. The 2016 Physician Fee Schedule final rule can be downloaded at <https://www.gpo.gov/fdsys/pkg/FR-2015-11-16/pdf/2015-28005.pdf> on the GPO website.

For information about applying to participate in the Shared Savings Program, visit <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram> on the CMS website.



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## APPENDIX

### Quality Measures for Accountable Care Organizations

**Table 1. Measures for Use in Establishing Quality Performance Standards that ACOs Must Meet for Shared Savings**

| Domain                           | AIM                         | ACO Measure # | Measure Title   | New Measure | NQF #/<br>Measure Steward | Method of Data Submission | Phase In PY1 | Phase In PY2 | Phase In PY3 |
|----------------------------------|-----------------------------|---------------|---|-------------|---------------------------|---------------------------|--------------|--------------|--------------|
| Patient/<br>Caregiver Experience | Better Care for Individuals | ACO – 1       | CAHPS: Getting Timely Care, Appointments, and Information | No          | NQF #0005<br>AHRQ         | Survey                    | R            | P            | P            |
| Patient/<br>Caregiver Experience | Better Care for Individuals | ACO – 2       | CAHPS: How Well Your Doctors Communicate                  | No          | NQF #0005<br>AHRQ         | Survey                    | R            | P            | P            |
| Patient/<br>Caregiver Experience | Better Care for Individuals | ACO – 3       | CAHPS: Patients' Rating of Doctor                         | No          | NQF #0005<br>AHRQ         | Survey                    | R            | P            | P            |
| Patient/<br>Caregiver Experience | Better Care for Individuals | ACO – 4       | CAHPS: Access to Specialists                              | No          | NQF #N/A<br>CMS/AHRQ      | Survey                    | R            | P            | P            |
| Patient/<br>Caregiver Experience | Better Care for Individuals | ACO – 5       | CAHPS: Health Promotion and Education                     | No          | NQF #N/A<br>CMS/AHRQ      | Survey                    | R            | P            | P            |
| Patient/<br>Caregiver Experience | Better Care for Individuals | ACO – 6       | CAHPS: Shared Decision Making                             | No          | NQF #N/A<br>CMS/AHRQ      | Survey                    | R            | P            | P            |
| Patient/<br>Caregiver Experience | Better Care for Individuals | ACO – 7       | CAHPS: Health Status/Functional Status                    | No          | NQF #N/A<br>CMS/AHRQ      | Survey                    | R            | R            | R            |

The CMS web interface currently used is the PQRS GPRO web interface.

**Please Note:**

R = Pay for reporting

P = Pay for performance

PY = Performance year

**Table 1. Measures for Use in Establishing Quality Performance Standards that ACOs Must Meet for Shared Savings (cont.)**

| Domain                           | AIM                         | ACO Measure # | Measure Title  | New Measure | NQF #/<br>Measure Steward   | Method of Data Submission | Phase In PY1 | Phase In PY2 | Phase In PY3 |
|----------------------------------|-----------------------------|---------------|--|-------------|-----------------------------|---------------------------|--------------|--------------|--------------|
| Patient/<br>Caregiver Experience | Better Care for Individuals | ACO – 34      | CAHPS: Stewardship of Patient Resources                                      | No          | NQF #N/A<br>CMS/AHRQ        | Survey                    | R            | P            | P            |
| Care Coordination/<br>Safety     | Better Care for Individuals | ACO – 8       | Risk-Standardized, All Condition Readmission                                 | No          | Adapted<br>NQF #1789<br>CMS | Claims                    | R            | R            | P            |
| Care Coordination/<br>Safety     | Better Care for Individuals | ACO – 35      | Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNFRM)        | No          | Adapted<br>NQF #2510<br>CMS | Claims                    | R            | R            | P            |
| Care Coordination/<br>Safety     | Better Care for Individuals | ACO – 36      | All-Cause Unplanned Admissions for Patients with Diabetes                    | No          | NQF #TBD<br>CMS             | Claims                    | R            | R            | P            |
| Care Coordination/<br>Safety     | Better Care for Individuals | ACO – 37      | All-Cause Unplanned Admissions for Patients with Heart Failure               | No          | NQF #TBD<br>CMS             | Claims                    | R            | R            | P            |
| Care Coordination/<br>Safety     | Better Care for Individuals | ACO – 38      | All-Cause Unplanned Admissions for Patients with Multiple Chronic Conditions | No          | NQF #TBD<br>CMS             | Claims                    | R            | R            | P            |

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| Domain                       | AIM                           | ACO Measure # | Measure Title  | New Measure | NQF #/<br>Measure Steward | Method of Data Submission       | Phase In PY1 | Phase In PY2 | Phase In PY3 |
|------------------------------|-------------------------------|---------------|--|-------------|---------------------------|---------------------------------|--------------|--------------|--------------|
| Care Coordination/<br>Safety | Better Care for Individuals   | ACO – 9       | Ambulatory Sensitive Conditions Admissions: Chronic Obstructive Pulmonary Disease or Asthma in Older Adults (AHRQ Prevention Quality Indicator (PQI) #5) | No          | Adapted NQF #0275 AHRQ    | Claims                          | R            | P            | P            |
| Care Coordination/<br>Safety | Better Care for Individuals   | ACO – 10      | Ambulatory Sensitive Conditions Admissions: Heart Failure (AHRQ Prevention Quality Indicator (PQI) #8)   | No          | Adapted NQF #0277 AHRQ    | Claims                          | R            | P            | P            |
| Care Coordination/<br>Safety | Better Care for Individuals   | ACO – 11      | Percent of PCPs who Successfully Meet Meaningful Use Requirements  | No          | NQF #N/A CMS              | EHR Incentive Program Reporting | R            | P            | P            |
| Care Coordination/<br>Safety | Better Care for Individuals   | ACO – 39      | Documentation of Current Medications in the Medical Record   | No          | NQF #0419 CMS             | CMS Web Interface               | R            | P            | P            |
| Care Coordination/<br>Safety | Better Care for Individuals   | ACO – 13      | Falls: Screening for Future Fall Risk  | No          | NQF #0101 NCQA            | CMS Web Interface               | R            | P            | P            |
| Preventive Health            | Better Health for Populations | ACO – 14      | Preventive Care and Screening: Influenza Immunization  | No          | NQF #0041 AMA-PCPI        | CMS Web Interface               | R            | P            | P            |

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| Domain            | AIM                           | ACO Measure # | Measure Title   | New Measure | NQF #/<br>Measure Steward | Method of Data Submission | Phase In PY1 | Phase In PY2 | Phase In PY3 |
|-------------------|-------------------------------|---------------|---|-------------|---------------------------|---------------------------|--------------|--------------|--------------|
| Preventive Health | Better Health for Populations | ACO – 15      | Pneumonia Vaccination Status for Older Adults   | No          | NQF #0043<br>NCQA         | CMS Web Interface         | R            | P            | P            |
| Preventive Health | Better Health for Populations | ACO – 16      | Preventive Care and Screening: Body Mass Index (BMI) Screening and Follow Up              | No          | NQF #0421<br>CMS          | CMS Web Interface         | R            | P            | P            |
| Preventive Health | Better Health for Populations | ACO – 17      | Preventive Care and Screening: Tobacco Use: Screening and Cessation Intervention          | No          | NQF #0028<br>AMA-PCPI     | CMS Web Interface         | R            | P            | P            |
| Preventive Health | Better Health for Populations | ACO – 18      | Preventive Care and Screening: Screening for Clinical Depression and Follow-up Plan       | No          | NQF #0418<br>CMS          | CMS Web Interface         | R            | P            | P            |
| Preventive Health | Better Health for Populations | ACO – 19      | Colorectal Cancer Screening   | No          | NQF #0034<br>NCQA         | CMS Web Interface         | R            | R            | P            |
| Preventive Health | Better Health for Populations | ACO – 20      | Breast Cancer Screening   | No          | NQF #N/A<br>NCQA          | CMS Web Interface         | R            | R            | P            |
| Preventive Health | Better Health for Populations | ACO – 21      | Preventive Care and Screening: Screening for High Blood Pressure and Follow-up Documented | No          | CMS                       | CMS Web Interface         | R            | R            | P            |

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| Domain  | AIM                           | ACO Measure # | Measure Title  | New Measure | NQF #/<br>Measure Steward                   | Method of Data Submission | Phase In PY1 | Phase In PY2 | Phase In PY3 |
|---|-------------------------------|---------------|--|-------------|---|---------------------------|--------------|--------------|--------------|
| Preventive Health                                   | Better Health for Populations | ACO – 42      | Statin Therapy for the Prevention and Treatment of Cardiovascular Disease                                | Yes         | NQF #TBD<br>CMS                             | CMS Web Interface         | R            | R            | R            |
| Clinical Care for At Risk Population – Depression   | Better Health for Populations | ACO – 40      | Depression Remission at Twelve Months  | No          | NQF #0710<br>MNCM                           | CMS Web Interface         | R            | R            | R            |
| Clinical Care for At Risk Population – Diabetes     | Better Health for Populations | ACO – 27      | Diabetes Composite (All or Nothing Scoring):<br>ACO – 27: Diabetes Mellitus: Hemoglobin A1c Poor Control | No          | NQF #0059<br>NCQA<br>(individual component) | CMS Web Interface         | R            | P            | P            |
| Clinical Care for At Risk Population – Diabetes     | Better Health for Populations | ACO – 41      | Diabetes Composite (All or Nothing Scoring):<br>ACO – 41: Diabetes: Eye Exam                             | No          | NQF #0055<br>NCQA<br>(individual component) | CMS Web Interface         | R            | P            | P            |
| Clinical Care for At Risk Population – Hypertension | Better Health for Populations | ACO – 28      | Hypertension (HTN):<br>Controlling High Blood Pressure   | No          | NQF #0018<br>NCQA                           | CMS Web Interface         | R            | P            | P            |

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| Domain   | AIM                           | ACO Measure # | Measure Title  | New Measure | NQF #/<br>Measure Steward | Method of Data Submission | Phase In PY1 | Phase In PY2 | Phase In PY3 |
|--|-------------------------------|---------------|--|-------------|---------------------------|---------------------------|--------------|--------------|--------------|
| Clinical Care for At Risk Population – Ischemic Vascular Disease | Better Health for Populations | ACO – 30      | Ischemic Vascular Disease (IVD): Use of Aspirin or Another Antithrombotic  | No          | NQF #0068<br>NCQA         | CMS Web Interface         | R            | P            | P            |
| Clinical Care for At Risk Population – Heart Failure             | Better Health for Populations | ACO – 31      | Heart Failure (HF): Beta-Blocker Therapy for Left Ventricular Systolic Dysfunction (LVSD)  | No          | NQF #0083<br>AMA-PCPI     | CMS Web Interface         | R            | R            | P            |
| Clinical Care for At Risk Population – Coronary Artery Disease   | Better Health for Populations | ACO – 33      | Angiotensin-Converting Enzyme (ACE) Inhibitor or Angiotensin Receptor Blocker (ARB) Therapy – for patients with CAD and Diabetes or Left Ventricular Systolic Dysfunction (LVEF<40%) | No          | NQF #0066<br>ACC          | CMS Web Interface         | R            | R            | P            |

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