



ML Strategies Update

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Health Care Update

First Look at Pioneer ACO Data Reveals Murky Path Forward: Last week, the Centers for Medicare and Medicaid Services (CMS) finally released quality and financial data for each participant in their [Pioneer ACO initiative](#). The data shows mixed results in quality improvement over the first two years and similar results in spending. Already, 13 ACOs have dropped out of the program which was launched three years ago to give more advanced health systems the opportunity to redesign care while saving the Medicare program money.

The ACO with the largest bonus, based on savings to Medicare, collected just over \$24 million in the second performance year, saving seven percent beyond their historical target price. Other ACOs took losses of almost six percent resulting in the payout to Medicare of as much as \$6 million, while some other ACOs had incomplete data or deferred until year three.

As ACOs consider their future in the Pioneer program which was limited to the original 32 applicants, stakeholders and health policy experts have been weighing changes to both the Pioneer and Medicare Shared Savings Program (MSSP) in order to sustain what is largely considered the most significant model for delivery reform following passage of the Affordable Care Act.

As [we have discussed](#), CMS has focused on reopening the Pioneer ACO program to new applicants and making changes that include waivers to existing Medicare rules that govern everything from telehealth to skilled nursing facility admissions. Further, policymakers continue to consider whether ACOs in either program should have the ability to better manage their populations, with tools akin to Medicare Advantage plans in addition to capturing more costs such as drugs and devices.

Stakeholders will continue to work with policymakers as the future of the ACO program gains more clarity over the coming months. The only thing that remains certain, however, is that without a bevy of changes the ACO programs are unlikely to sustain the momentum necessary to reach their stated potential.

For more background on ACO news please refer to our [articles on our blog](#).

Implementation of the Affordable Care Act

CMS Announces ACO Participation Numbers: The Centers for Medicare and Medicaid Services (CMS) [announced](#) the results of the 32 Pioneer Accountable Care Organizations (ACOs) participating in the first year of the program and the 23 participating in the second year.

HHS Announces Primary Care Expansion: HHS Secretary Burwell [announced](#) that “\$283 million has been invested in the National Health Service Corps (NHSC) in fiscal year 2014 to increase access to primary care services in communities that need it most.”

CMS Extends Hardship Exemption Application Period: CMS [announced](#) that it will be reopened and continue to accept hardship exemption applications for providers wishing to avoid 2015 penalties through November 30, 2014.

Burwell Remarks at Kaiser-Health Affairs Briefing: [Speaking](#) at a Health Affairs-Kaiser Health News Media Breakfast, Secretary Burwell shared remarks on interoperability, risk corridors, Ebola, and ACA implementation.

Other Federal Regulatory Initiatives

CMS Announces Two Medicare Improvements: CMS announced two new initiatives to improve the quality of post-acute-care. [First](#), the expansion and strengthening of the agency’s widely-used Five Star Quality Rating System for Nursing Homes. [Second](#), proposed new conditions of participation for home health agencies will modernize Medicare’s Home Health Agency Conditions of Participation to ensure safe delivery of quality care to home health patients. The [proposed rule](#) dealing with HHA participation proposes the adoption of EHR technology “certified to a minimal amount.”

Part B Premiums and Deductibles Remain Same: Secretary Burwell [announced](#) that 2015’s standard Medicare Part B monthly premium and deductible will remain the same as the last two years. CMS also announced today that for the small number of beneficiaries who pay Medicare Part A monthly premiums, their monthly bill will drop \$19 in 2015 to \$407.

AHRQ Updates Surveys: The Agency for Healthcare Research and Quality (AHRQ) [updated](#) its Health IT Survey Compendium to create a “centralized source of health IT surveys.”

CDC Estimates Car Crash Cost: The Centers for Disease Control (CDC) [released](#) the CDC Vital Signs report, which estimates that over 2.5 million ER visits resulted from car crashes in 2014 and accounted for \$18.4 billion in lifetime medical costs.

FDA and Cybersecurity: The Director of Emergency Preparedness/Operations & Medical Countermeasures (EMCM) at FDA’s Center for Devices and Radiological Health wrote a [blog post](#) about how the FDA is working to address increased vulnerabilities of medical devices working on networks.

NIH Invests in Big Data: The National Institutes of Health (NIH) [announced](#) an initial investment of nearly \$32 million in fiscal year 2014 by NIH’s Big Data to Knowledge (BD2K) initiative. The initiative supports the development of new approaches, software, tools, and training programs to improve access to these data and the ability to make new discoveries using them.

Other Congressional Initiatives

21st Century Cures Roundtables Continue: Members of the House Energy and Commerce Committee [held two additional 21st Century Cures roundtables](#) last week. Chairman Fred Upton (R-MI) hosted an event in Kalamazoo, Michigan with the Director of the National Institutes of Health, Dr. Francis Collins. Representative Renee Ellmers (R-NC) held a roundtable with senior officials at FDA, NIH, HHS, and local universities and biopharmaceutical companies to discuss ways future legislation can help to accelerate the pace of cures and treatments.

House Dems Push for Ebola, Enterovirus Hearing: Democrats on the House Labor-HHS Appropriations Subcommittee [wrote](#) to the Republican majority calling for a hearing on the Ebola epidemic and the spread of the enterovirus in the U.S.

Senators Call for e-Cig Protections: Democratic Senators Barbara Boxer (D-CA), Dick Durbin (D-IL), Richard Blumenthal (D-CT), Jack Reed (D-RI), Sherrod Brown (D-OH), and Edward Markey (D-MA) [wrote](#) to the FDA urging the agency to finalize proposed rules that would expand the agency’s regulatory authority over the nicotine-based products.

Other Health Care News

Groups Ask to Clarify FDASIA: Health IT groups and stakeholders, including Health IT Now, McKesson Corporation, and the U.S. Chamber of Commerce, [wrote](#) to Members of Congress requesting lawmakers provide clarify about federal oversight of health IT under the Food and Drug Administration Safety and Innovation Act (FDASIA) of 2012.

Upcoming Congressional Hearings and Markups

The Senate and House and in Recess.

On Thursday, October 16th, the House Energy and Commerce Oversight and Investigations Subcommittee will hold a [hearing](#) titled “Examining the U.S. Public Health Response to the Ebola Outbreak.”

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