

Contact: Marie Watteau, (202) 626-2351

STATEMENT ON FINAL ACO RULE

Rich Umbdenstock President and CEO American Hospital Association

October 20, 2011

Today's rules represent the direction in which the hospital field is moving – toward better coordinated patient care across care settings. We commend CMS for listening to the concerns of America's hospitals. The hospital field is actively working on ways to improve care delivery and the final accountable care organization rule provides hospitals a better path to do so.

In response to the concerns of the AHA and its hospital members, CMS made significant changes to the financial model, provided more flexibility in the assignment of beneficiaries and took a second look at the quality framework. We believe today's menu of ACO options allows America's hospitals to create new models of accountable care organizations on which the transformation of health care delivery is so dependent.

The AHA is also encouraged by the historic effort among several federal agencies to achieve the goal of better coordinated care. Specifically the antitrust agencies responded to hospital concerns and reversed their plan to require antitrust preapproval for every ACO applicant and instead provided guidance. We believe removing this barrier was essential to encouraging ACO participation.

Hospital and health system leaders welcome the concept of providing patient care in a more accountable, more coordinated way and know that they will be held increasingly at financial risk in improving outcomes for patients and becoming more efficient in the delivery of services. Hospitals already are engaged in private sector ACO initiatives and the final rule provides an additional avenue for the provision of accountable care.

The AHA strongly supports the goals and principles of the ACO program and delivery system reforms that improve patient care and quality while reducing costs. We will continue to work with CMS and other agencies to remove the substantial legal and regulatory barriers throughout the health care system to clinical integration that still remain.