NATIONAL ASSOCIATION OF Community Health Centers

The Rural ACO Provider Equity Act of 2015:

Ensuring Equity and Promoting Innovation by Improving ACO Assignment

The Problem

The Medicare Shared Savings Program (MSSP) incentivizes providers to generate savings from improved care coordination while meeting performance standards for high-quality care. **Unfortunately, current law poses an unnecessary barrier for many federally qualified health centers (FQHCs) who want their patients to participate in ACOs.** In order for a Medicare beneficiary to be assigned to an ACO he or she must receive at least one primary care service from a *physician* participating in an ACO.

However, under Medicare statute, FQHCs (and Rural Health Clinics, or RHCs) operate under a separate legal designation, separate from the statutory definition of "physician." As a result, while individual physicians at an FQHC may assign patients to an ACO, these assignments cannot be made when a patient's primary caregiver is not a physician, and the **FQHC cannot make these assignments at the organizational level**.

Why Does it Matter?

Health centers provide comprehensive, cost-effective, care in medically underserved communities using a unique, **team-based approach** to care delivery. FQHCs are twice as likely as other primary care practices to use non-physician providers, with 95% of health centers incorporating nurse practitioners, physician assistants, and certified nurse midwives into their care teams. ACOs have recognized the value of this approach – in 2014, the Commonwealth Fund found that when ACOs are able to contract with providers at health centers, they are more likely to have **integrated behavioral health** into primary care (23% vs. 8%) and to have **chronic care management** programs (41% vs. 26%).

In other words, the current limit on the assignment of patients to ACOs to physicians fails to fully leverage the benefits of the FQHC team-based approach, and the care integration and coordination that comes with it. In order to ensure equity across provider types, Congress must address this issue.

The Solution

H.R. 5667, the Rural ACO Provider Equity Act (Jenkins/Sanchez) would allow federally qualified health centers (FQHCs) and rural health clinics (RHCs) to assign their patients to ACOs under the Medicare Shared Savings Program. This important bill would make it easier for FQHCs to participate in ACOs, particularly in rural areas and places where the primary care team is led by a non-physician provider. It will lead to greater gains in system efficiency, and will incentivize better, more coordinated care for Medicare beneficiaries accessing care at FQHCs.

Current Status

The Senate version of the Rural ACO Provider Equity Act, S. 2261 (Thune/Cantwell/Murray), **passed the Senate unanimously** on December 17, 2015. On behalf of the nation's more than 1,300 community health centers and the more than 24 million patients they serve, **NACHC urges Congress to pass this important legislation during the 114th Congress.**

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