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CONTACT: Megan Reisig
(214) 493-4024
Megan.Reisig@usmd.com

More partnerships between doctors and hospitals strengthen coordinated care for Medicare beneficiaries

123 New Accountable Care Organizations Join Program to Improve Care for Medicare beneficiaries

Irving, Texas – Medical Clinic of North Texas (MCNT), an affiliate of [USMD Holdings, Inc.](#), ([NASDAQ: USMD](#)), has been selected as one of 123 new Accountable Care Organizations (ACOs) in Medicare, providing approximately 1.5 million more Medicare beneficiaries with access to high-quality, coordinated care across the United States, Health and Human Services (HHS) Secretary Kathleen Sebelius announced today.

Doctors, hospitals and health care providers establish ACOs in order to work together to provide higher-quality, coordinated care to their patients, while helping to slow health care cost growth. Since passage of the Affordable Care Act, more than 360 (ACOs) have been established, serving over 5.3 million Americans with Medicare. Beneficiaries seeing health care providers in ACOs always have the freedom to choose doctors inside or outside of the ACO. ACOs share with Medicare any savings generated from lowering the growth in health care costs when they meet standards for high-quality care.

“Accountable Care Organizations are delivering higher-quality care to Medicare beneficiaries and are using Medicare dollars more efficiently,” Secretary Sebelius said. “This is a great example of the Affordable Care Act rewarding hospitals and doctors that work together to help our beneficiaries get the best possible care.”

The ACOs must meet quality standards to ensure that savings are achieved through improving care coordination and providing care that is appropriate, safe, and timely. The Centers for Medicare & Medicaid Services (CMS) evaluates ACO quality performance using 33 quality measures on patient and caregiver experience of care, care coordination and patient safety, appropriate use of preventive health services, and improved care for at-risk populations.

The new ACOs include a diverse cross-section of healthcare providers across the country, including providers delivering care in underserved areas. More than half of all ACOs are physician-led organizations that serve fewer than 10,000 beneficiaries. Approximately one in five ACOs include community health centers, rural health clinics, and critical access hospitals that serve low-income and rural communities.

Affordable Care Act provisions have a substantial effect on reducing the growth rate of Medicare

spending. Growth in Medicare spending per beneficiary hit historic lows during the 2010 to 2012 period, and this trend has continued into 2013. Projections by both the Office of the Actuary at CMS and by the Congressional Budget Office estimate that Medicare spending per beneficiary will grow at approximately the rate of growth of the economy for the next decade, breaking a decades-old pattern of spending growth outstripping economic growth.

The next application period for organizations interested in participating in the Shared Savings Program beginning January 2015 will be in summer 2014.

More information about the Shared Savings Program is available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html?redirect=/sharedsavingsprogram/>

For a list of the 123 new ACOs announced today, visit: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/Downloads/2014-ACO-Contacts-Directory.pdf>

About USMD Holdings, Inc.

USMD is a publicly held (NASDAQ: USMD), physician-led integrated healthcare system committed to exemplary patient care. Headquartered in Irving, Texas, USMD serves the Dallas-Fort Worth metropolitan area with more than 250 physicians and associate practitioners, and provides healthcare services to patients in just under 20 different specialties at its hospitals, cancer treatment centers and nearly 70 physician clinics. For more information about USMD, visit www.usmd.com.

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