NCMS Foundation Seeks Rural Providers for ACO Opportunity

The North Carolina Medical Society Foundation seeks to identify rural providers interested in learning more about developing an ACO.

CMS recently announced a new funding opportunity specifically for rural providers. CMS wants to encourage providers to form MSSP ACOs in rural areas and areas with low ACO penetration. The Accountable Care Organization (ACO) Investment Model (AIM) program will provide upfront and monthly funding for eligible ACOs to participate in the Medicare Shared Savings Program (MSSP) beginning in 2016. The upfront and monthly PMPM will provide funds to develop the infrastructure needed for population health management.

The **Medicare Shared Savings Program (MSSP)** was established to improve the quality of care for Medicare Fee-For-Service beneficiaries by promoting accountability for the care of Medicare FFS beneficiaries, requiring coordinated care for any service provided under Medicare FFS, and encouraging investment in infrastructure and redesigned care processes. MSSP also aims to reduce unnecessary costs. Providers, hospitals and suppliers that either create or participate in an Accountable Care Organization (ACO) may participate in this program. Those ACOs that lower their rising health care costs and simultaneously put patients first and meet performance standards on quality of care will be rewarded by the Medicare Shared Savings Program (MSSP). Click here to learn more about MSSP.

Payments to Selected New 2016 MSSP Starters (Test 1 ACOs)[1]

ACOs selected for Test 1 will receive their first payment under AIM in the first month of their first MSSP performance year, and payments will continue for up to 24 months.

Test 1 ACOs will receive three types of payment:

1. An upfront, fixed payment: Each ACO will receive a $250,000 payment in the first month of its participation in the Medicare Shared Savings Program.
2. An upfront, variable payment: Each ACO will receive a payment in the first month of its participation in the Medicare Shared Savings Program equivalent to the number of its preliminary, prospectively assigned beneficiaries multiplied by $36.

[1] Test 2 ACOs are MSSP ACOs that started in 2012, 2013 or 2014.

3. A monthly payment of varying amount depending on the size of the ACO: Each ACO will receive a monthly payment equal to the number of its preliminary, prospectively assigned beneficiaries multiplied by $8, for up to 24 months or until it ceases participation in the Medicare Shared Savings Program or AIM, whichever is sooner.

Prepaid shared savings are structured in this manner to acknowledge that new ACOs will have both fixed and variable start-up costs. For example, using this methodology, a Test 1 ACO that begins AIM participation in January 2016 with 7,000 assigned beneficiaries would receive $502,000 in upfront payments and $1,344,000 in monthly payments for a total of $1,846,000 in pre-paid shared savings over 24 months, provided that the ACO's MSSP participation agreement or AIM agreement is not terminated prior to its expiration.

Recovery of Pre-paid Shared Savings

Under the annual MSSP reconciliation process, CMS determines for each performance year whether the ACO qualified for a shared savings payment and the amount of any such payment (or in the case of a Track 2 ACO, whether the ACO is liable for shared losses and the amount of such shared losses). ACOs participating in AIM will be required to repay all pre-paid shared savings amounts through a reduction in earned shared savings. Specifically, CMS will recover pre-paid shared savings payments from Test 1 ACOs by reducing the amount of any shared savings payments that are owed upon annual reconciliation.[2] Should an ACO not earn sufficient shared savings in the first agreement period, then CMS will not pursue full recovery of remaining pre-payments from that ACO. CMS will recover all pre-payments up to the total shared savings earned by the ACO, but will not pursue amounts in excess of the earned shared savings.[3] AIM ACOs will be required to file periodic reports documenting their use of these funds to allow monitoring of compliance with this provision.

Eligibility and Selection Criteria

For the ACO starting in 2016, CMS will review MSSP and AIM applications concurrently. An ACO will be eligible to participate in AIM if it is eligible to participate in MSSP and satisfies the following requirements:

[2] For example, if a Test 1 ACO does not generate sufficient shared savings for the 2016 performance year to fully repay pre-paid shared savings received in 2016, CMS will recover the balance from shared savings earned in the subsequent two performance years of the MSSP agreement period and in later performance years if the ACO choses to renew its MSSP participation for a second agreement period.

[3] CMS will pursue full recovery of pre-paid shared savings from any ACO that does not complete its initial MSSP agreement period or the full term of the AIM agreement. CMS will recover all pre-paid shared savings from any ACO that is terminated form their MSSP agreement or AIM agreement. CMS may terminate an ACO's MSSP agreement and AM agreement should the ACO fail to comply with regulations and terms of the MSSP agreement. CMS may terminate an ACO's IM agreement if that ACO expends funds in a manner inconsistent with the approved spend plan or if that ACO fails to comply with the regulations or terms of the AIM agreement.

1. The ACO has a preliminary prospective beneficiary alignment of 10,000 or fewer beneficiaries, as determined in accordance with the MSSP program regulations.
2. The ACO does not include a hospital as an ACO participant or an ACO provider/supplier (as defined by the MSSP regulations), unless the hospital is a critical access hospital (CAH) or an inpatient prospective payment system (IPPS) hospital with 100 or fewer beds.
3. The ACO is not owned or operated in whole or in part by a health plan.

For more information on the ACO Investment Model (AIM), click here.

The NCMS Foundation has developed an RFP to identify quality partners to help those interested in developing an ACO. We hope to make the transition to value as easy as possible for rural health care providers through the provision of and/or identification of quality partners to provide education, PCMH or PCSP recognition services, establishing appropriate risk stratification (Hierarchical Condition Category (HCC) Coding), clinical transformation services, contracting services, patient registries, comprehensive data analytics, and more.

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