The Medicare Shared Savings Program

Centers for Medicare & Medicaid Services

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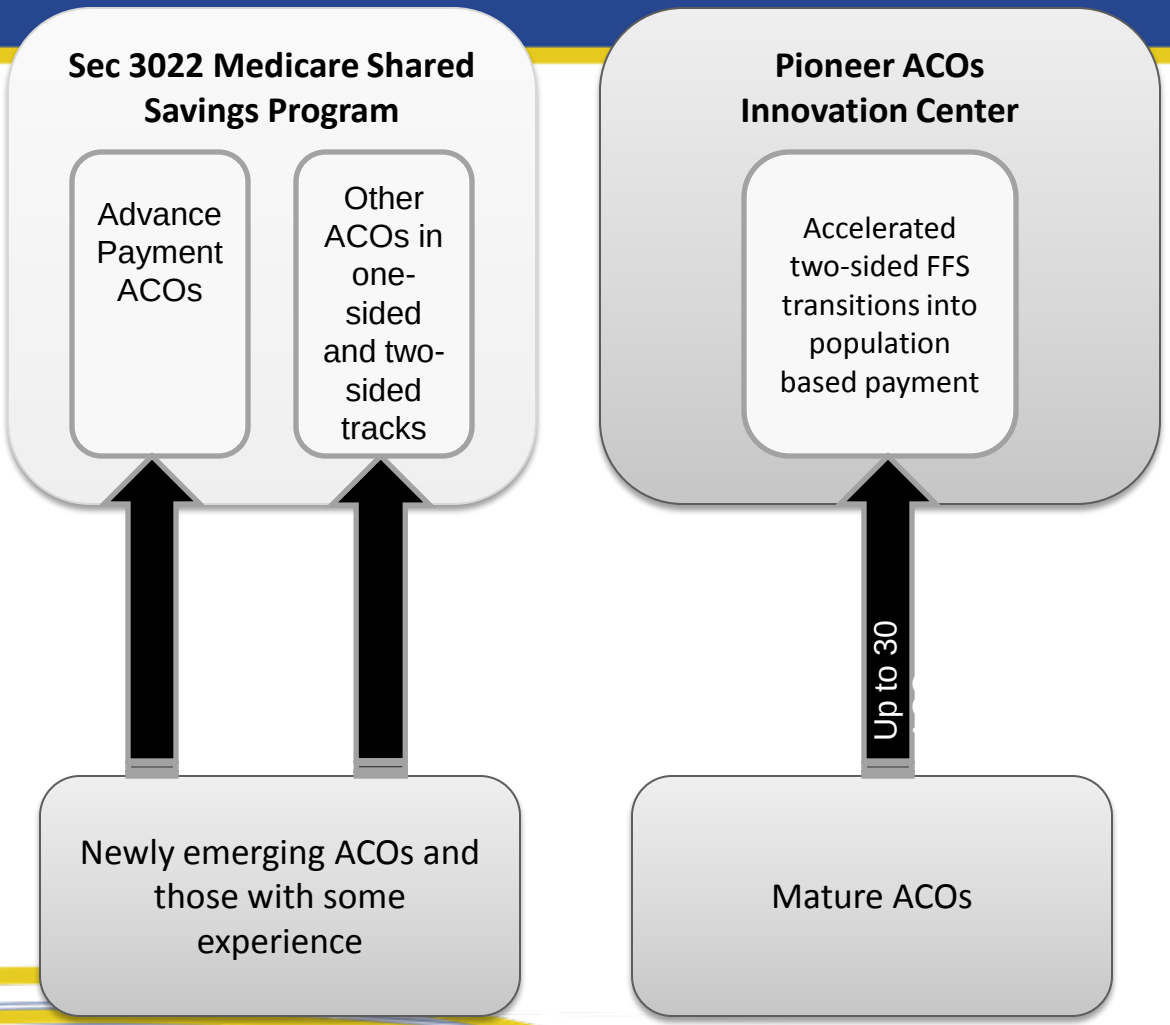
Overview

- CMS's vision of its ACO program
- Summary of proposed rule
  - Eligible participants
  - Payment tracks
  - Assignment of beneficiaries
  - Quality framework
  - Beneficiary notification

CMS's ACO Strategy: Creating Multiple Pathways for ACOs to Participate Based Upon ACO Readiness



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Background on the Medicare Sharing Savings Program

- Program authorized under section 3022 of the Affordable Care Act as part of Medicare traditional fee-for-service program
- Establishes a Shared Savings Program using Accountable Care Organizations (ACOs)
- ACOs are eligible to receive shared savings
- Program is to be established by January 1, 2012
- CMS and partner agencies conducted extensive outreach prior to issuing the rule
- CMS issued the notice of proposed rulemaking on March 31st 2011
- CMS is actively seeking comments; comment period closes June 6, 2011

Proposed Definition of an ACO

- A legal entity recognized and authorized under state law.
- Comprised of groups of health care providers and suppliers that:
  - Work together to coordinate beneficiary care
  - Invest in infrastructure and redesigned, coordinated care processes
  - Agree to be held accountable for quality, cost, and overall care of fee-for-service beneficiaries assigned to them
  - Establish a mechanism for shared governance

Proposed Eligible Organizations

- Physicians and professionals in group practice arrangements
- Networks of individual practices of physicians and other professionals
- Joint ventures/partnerships of hospitals and physicians and professionals
- Hospitals employing physicians and professionals
- Critical Access Hospitals (CAHs) that bill under Method II
- Other providers/suppliers may participate in an ACO but would not be used to directly assign patients

Proposed Two-Track Payment Approach

- ACOs may choose to participate in one of two tracks:
  1. An initial three-year agreement comprised of 2 years of one-sided shared savings and automatic transition to two-sided shared savings/losses in the final year
  2. A three year-agreement of two-sided shared savings/losses
- All ACOs who elect to continue in the program after the first agreement period must continue in the two-sided model
- Provides an “on-ramp” for organizations to gain population management experience and transition to risk arrangements

Assignment of Patient Population

- ACO accepts responsibility for an “assigned” Medicare patient population
- Assigned patient population is the basis for establishing and updating the financial benchmark, quality measurement and performance, and focus of the ACO’s efforts to improve care and reduce costs
- Patients assigned to ACOs based on the ***plurality*** of allowed charges for primary care services from primary care physicians (internal medicine, general practice, family practice, and geriatric medicine)
- Assignment will not affect beneficiaries’ Medicare benefits or choice of physician or any other provider
- CMS has proposed to ***retrospectively*** assign beneficiaries to an ACO

Proposed Quality Measurement & Performance

- 65 Quality measures separated into five domains:
    1. Patient/Caregiver Experience
    2. Care Coordination
    3. Patient Safety
    4. Preventative Health
    5. At-Risk Population/Frail Elderly Health
- ACOs that score higher will be eligible fore greater savings
- Measures aligned with current CMS measurement efforts

Proposed Beneficiary Notification Requirements

- ACO professionals must notify their patients that he/she is participating in the program (ACO)
- Beneficiary will receive general notification about the program and what it means for his/her care
  - Information will make clear that beneficiary continues to have freedom of provider choice
- Beneficiary will be informed his/her data may be shared with the ACO and be given the opportunity to decline to have data shared