



NOTICE OF INTENT TO APPLY:
JULY 1, 2019 OR JANUARY 1, 2020
START DATE FOR THE
MEDICARE SHARED SAVINGS
PROGRAM, SNF 3-DAY RULE WAIVER,
AND BENEFICIARY INCENTIVE
PROGRAM

Guidance

April 2019
Version #5



MEDICARE
SHARED SAVINGS
PROGRAM

Revision History (from version 4 to version 5)

VERSION	DATE	REVISION/CHANGE DESCRIPTION	AFFECTED AREA
5	April 2019	Revised for the application cycle(s) for a July 1, 2019 or January 1, 2020 start date	All

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1 Introduction

The Medicare Shared Savings Program (Shared Savings Program) promotes accountability for a population of Medicare beneficiaries, improves the coordination of fee-for-service (FFS) items and services, encourages investment in infrastructure and redesigned care processes for high-quality and efficient service delivery, and promotes higher value care. Under the Shared Savings Program, providers of services and suppliers that participate in an Accountable Care Organization (ACO) continue to receive traditional Medicare FFS payments under Parts A and B. ACOs that successfully meet quality and savings requirements share a percentage of the savings with Medicare. ACOs under a performance-based risk track, including Levels C, D, or E of the BASIC track or the ENHANCED track, may also be required to repay Medicare for shared losses.

The Centers for Medicare & Medicaid Services (CMS) accepts applications for ACOs to participate in the Shared Savings Program. An ACO may also separately apply to use the Skilled Nursing Facility (SNF) 3-Day Rule Waiver or to establish a Beneficiary Incentive Program (BIP).

In order to submit any of these applications, however, an ACO must first submit a Notice of Intent to Apply (NOIA). While the NOIA is required in order to submit the application, a NOIA submission does not bind an ACO to submitting an application.

Important

If an ACO is not sure whether or not it wants to apply to the Shared Savings Program, for a SNF 3-Day Rule Waiver, or to establish a BIP, it is encouraged to submit a NOIA during the NOIA period. Again, the NOIA is non-binding but allows the ACO to submit an application in the event it has any interest in applying.

This guidance document is intended to help ACOs prepare for and complete the NOIA. The current version of this guidance differs from previous versions in that it reflects the transition to a new ACO Management System (ACO-MS) in April 2018, the issuance of the [Shared Savings Program “Pathways to Success” Final Rule](#), and the opportunity to submit sample ACO Participant and/or SNF Affiliate Agreements and draft repayment mechanism documentation during the NOIA period.

NOIA questions and other Shared Savings Program resources are available in the appendices of this document. Visit the [Application Types & Timeline webpage](#) for information on deadlines for submission of the NOIA and other application activities.

Important

We encourage potential applicants to read and understand the eligibility criteria outlined in the [Shared Savings Program “Pathways to Success” Final Rule](#) and how they impact each ACO’s participation options. Refer to [Appendix E](#), [Appendix F](#), and [Appendix G](#) for details about participation options.

2 Notice of Intent to Apply Process

2.1 OVERVIEW

An ACO must submit a NOIA to apply to the Shared Savings Program, for a SNF 3-Day Rule Waiver, or to establish a BIP. Applicants that select Levels C, D, or E of the BASIC track or the ENHANCED track are eligible to apply for a SNF 3-Day Rule Waiver or to establish a BIP. Currently participating ACOs in Track 3 (herein referred to as the ENHANCED Track), the Medicare ACO Track 1+ Model (Track 1+ Model), and ACOs entering Levels C, D, or E of the BASIC track are eligible to apply for a SNF 3-Day Rule Waiver. Currently participating ACOs under Track 2, the ENHANCED Track, or ACOs entering Levels C, D, or E of the BASIC track are eligible to apply to establish a BIP.

- ✓ **Each ACO should submit only one NOIA.** ACOs have an opportunity to make changes to their respective tracks, repayment mechanisms, and other NOIA information during the application submission period.
- ✓ **ACOs must submit the NOIA through [ACO-MS](#).** CMS does not accept NOIAs via email or mail.
- ✓ **An authorized ACO contact must submit the NOIA on behalf of an ACO.**

There are five groups of applicants, which CMS refers to as cohorts: initial applicants, renewal applicants, early renewal applicants, re-entering applicants, and currently participating ACOs. Additionally, two supplemental applications, for the SNF 3-Day Rule Waiver and to establish a BIP, may be available to ACOs depending on which participation option they select or the track in which they are currently participating, as applicable. Table 1 lists the cohorts. It is helpful for ACOs to know the cohort into which they fall because each cohort follows slightly different procedures for filling out the NOIA (refer to [Table 2](#) below). In addition, during the application cycle, CMS directs some communications to specific cohorts.

Table 1. ACO Applicant Cohorts

COHORT	DEFINITION
Currently Participating ACO	An ACO currently participating in the Shared Savings Program and, if applicable, the Track 1+ Model.
Initial Applicant	An ACO that is applying to participate in the Shared Savings Program that is not considered to have previously participated in the Shared Savings Program. If the ACO legal entity, or during the most recent 5 past performance years more than 50 percent of the ACO participants, participated in the same Shared Savings Program ACO, the ACO is not considered an Initial Applicant.
Renewal Applicant	An ACO that started its most recent ACO Participation Agreement in 2016 (for July 1, 2019 start date) or 2017 (for a January 1, 2020 start date) and intends to renew its participation for a new agreement period starting on July 1, 2019 (if its most recent ACO Participation Agreement began in 2016) or January 1, 2020 (if its most recent ACO Participation Agreement began in 2017).
Early Renewal Applicant	An ACO currently participating in the Shared Savings Program that elects to voluntarily terminate its ACO Participation Agreement on June 30, 2019 (for a July 1, 2019 start date) or December 31, 2019 (for a January 1, 2020 start date), and intends to apply for a new agreement period under the BASIC track or the ENHANCED track starting on July 1, 2019 (for ACOs terminating on June 30, 2019) or January 1, 2020 (for ACOs terminating on December 31, 2019).
Re-entering Applicant	An ACO that previously participated in the Shared Savings Program and is applying to participate in the Shared Savings Program after a break in participation. This includes ACOs that CMS determines to be re-entering because greater than 50 percent of their ACO participants have prior participation in the same Shared Savings Program ACO in any of the 5 most recent past performance years.
+ SUPPLEMENTAL APPLICATIONS	DEFINITION
<i>BIP Applicant</i>	<i>An ACO applying to establish a BIP. Available for ACOs currently participating under Track 2 or the ENHANCED track and ACOs entering Levels C, D, or E of the BASIC track.</i>
<i>SNF 3-Day Rule Waiver Applicant</i>	<i>An ACO applying for approval of a SNF 3-Day Rule Waiver. Available for ACOs currently participating under the ENHANCED track or the Track 1+ Model and ACOs entering Levels C, D, or E of the BASIC track.</i>

Table 2. Shared Savings Program NOIA Submission Information by Applicant Cohort

Shared Savings Program NOIA Submission

Initial OR Re-Entering ACO NOIA	Renewal OR Early Renewal NOIA	Currently Participating NOIA
How to Access the NOIA		
<p>ACO-MS landing page (select “Get Started”)</p>	<p>Log into ACO-MS account (Navigate to My ACOs tab and select ACO ID)</p>	<p>Log into ACO-MS account (Navigate to My ACOs tab and select ACO ID)</p>
Additional NOIA Information		
<ul style="list-style-type: none"> ▪ ACOs identified as <u>initial applicants</u> or <u>re-entering ACOs</u> will complete an initial NOIA ▪ Fill out general organizational information about the ACO ▪ Select a track ▪ Submit sample ACO participant and/or SNF affiliate agreement(s) and repayment mechanism(s)¹ ▪ Indicate intent to apply for a SNF 3-Day Rule Waiver or to establish a BIP (if applicable) ▪ Refer to Appendix B for sample NOIA questions 	<ul style="list-style-type: none"> ▪ ACOs identified as <u>renewal</u> or <u>early renewal applicants</u> will complete a renewal NOIA ▪ Verify accuracy of organizational information in ACO-MS ▪ Select a track ▪ Submit sample agreement(s) and repayment mechanism(s)¹ ▪ Indicate intent to apply for a SNF 3-Day Rule Waiver or to establish a BIP (if applicable) ▪ Refer to Appendix C for sample NOIA questions 	<ul style="list-style-type: none"> ▪ <u>Currently participating ACOs</u> that choose not to early renew will complete a currently participating NOIA only if they intend to apply for a SNF 3-Day Rule Waiver or establish a BIP ▪ Submit sample agreement(s)¹ ▪ Indicate intent to apply for a SNF 3-Day Rule Waiver or to establish a BIP ▪ Refer to Appendix D for sample NOIA questions

¹ This submission is optional at the time of NOIA submission for all ACOs.

2.2 KEY POINTS

This section includes key points for ACOs to consider when completing the NOIA. For a complete list of questions included in the NOIA, refer to the following appendices.

- [Appendix A: Application Resources](#)
- [Appendix B: Sample NOIA Questions for Initial Applicants](#)
- [Appendix C: Sample NOIA Questions for Renewal Applicants](#)
- [Appendix D: Sample NOIA Questions for Currently Participating Applicants](#)

- ✓ **Confirm your ACO's information (date of formation, legal entity name, etc.).** The ACO date of formation cannot be a date in the future and must match the date on your ACO's origination documentation (e.g., Articles of Incorporation). Additionally, your ACO should confirm that its information is accurate, which includes verifying that the legal entity name contains no spelling errors and matches legal documentation.

TIPS FOR SUCCESS

You are allowed to make changes to your ACO's organizational information and track after the NOIA is submitted. Some changes will need to be reviewed and approved by CMS.

- ✓ **Indicate your intent to apply for a SNF 3-Day Rule Waiver.** A SNF 3-Day Rule Waiver waives the requirement for a prior inpatient stay for eligible beneficiaries admitted to SNF affiliates, and it provides SNF waiver-approved ACOs additional flexibility to increase quality and decrease costs. Only currently participating ENHANCED track or Track 1+ ACOs, and ACOs entering Levels C, D, or E of the BASIC track, have the option to apply for a SNF 3-Day Rule Waiver.
- ✓ **Indicate your intent to apply to establish a BIP.** An ACO may establish a CMS-approved beneficiary incentive program to provide incentive payments to assigned beneficiaries who receive qualifying primary care services. Currently participating Track 2 or ENHANCED track ACOs, and ACOs entering Levels C, D, or E of the BASIC track, have the option to apply to establish a BIP that would operate for an initial 18-month period beginning on July 1, 2019, or an initial 12-month period beginning on January 1, 2020.²
- ✓ **Indicate your ACO's repayment mechanism arrangement if selecting Levels C, D, or E of the BASIC track or selecting the ENHANCED track, consistent with 42 CFR § 425.204(f).**³ CMS strongly recommends that your ACO submit draft repayment mechanism documentation with your NOIA submission in ACO-MS to

² Any ACO would be required to operate its beneficiary incentive program, as described in its beneficiary incentive program application, if its application is approved by CMS.

³ Consistent with the requirement to repay shared losses for which your ACO may be liable under a two-sided model, your ACO must provide assurance of its ability to repay shared losses by establishing a repayment mechanism that complies with the requirements of § 425.204(f).

allow additional time for reviewers to provide feedback on your documentation and for your organization to resolve any issues. The draft documentation does not need to include a repayment mechanism amount. However, the draft documentation should be submitted on the applicable financial institution or insurance company letterhead. If you are currently participating in the Shared Savings Program under a two-sided model, you may be permitted to extend your existing repayment mechanism arrangement in the new agreement period so long as it is sufficient to cover any increase to the repayment mechanism amount during the new agreement period. We note that the ACO legal entity name and the repayment mechanism type must match what an ACO will submit with its application. We encourage you to complete as much applicable information for the repayment mechanism type as possible (e.g., letter of credit, escrow agreement, or surety bond). For additional information and common errors to avoid, please refer to the [Repayment Mechanism Arrangements Guidance](#).

- ✓ **Submit a sample ACO Participant Agreement (and/or SNF Affiliate Agreement, if applying for a SNF 3-Day Rule Waiver) with the NOIA.** CMS will review and provide feedback on sample agreements submitted with the NOIA. Although this step is optional at the time your ACO submits the NOIA, submitting your sample agreement(s) with the NOIA can save time and effort by allowing your ACO to make any necessary changes by revising and re-executing agreements early in the application process. If your ACO submits a sample agreement with the NOIA, your ACO must also complete an agreement table that correctly identifies where each requirement is addressed in your ACO Participant Agreement and/or SNF Affiliate Agreement. For tips and common errors to avoid, please refer to the [ACO Participant List and Participant Agreement Guidance](#) and/or the [SNF 3-Day Rule Waiver Guidance](#).

2.3 NEXT STEPS

Each ACO will receive a confirmation email upon successful submission of its NOIA. The NOIA will be reviewed and processed by CMS. If approved, the ACO will receive an approval email. This email will include an ACO identification number (ACO ID), which is a unique identifier beginning with “A” and followed by four digits. Renewing (including early renewal) and currently participating ACOs will retain their existing ACO IDs. An ACO should include its ACO ID in all future correspondence with CMS. If denied, ACOs will receive an email detailing the reason(s) CMS denied the NOIA. If time remains before the deadline for NOIA submission, an ACO whose NOIA is denied may correct the CMS-identified issues and resubmit the NOIA.

2.3.1 SET UP AN ACO-MS ACCOUNT

The approval email for initial applicants and re-entering ACO applicants will also include detailed instructions on how to obtain a user ID for logging into ACO-MS. ACO contacts for renewing (including early renewal) and currently participating ACOs that had an

active CMS User ID in the Health Plan Management System (HPMS) already should have received notification stating CMS migrated access to ACO-MS in March 2018. Please contact the ACO-MS help desk if you have questions regarding ACO-MS user access. The contact information for the help desk is as follows:

Email: APOSD@cms.hhs.gov
Phone: 1-888-734-6433 (Option 1)
TTY/TDD: 1-888-734-6563

Please note that the user ID for ACO-MS is managed using the Enterprise Identity Management (EIDM) platform, which is separate from the Enterprise User Administration (EUA) platform used to manage other CMS systems access. Users with active EUA profiles may need to maintain their accounts for other CMS program affiliations. Users with EIDM credentials currently used for quality reporting should use the same credentials to access ACO-MS.

Please reference the additional resources below to assist in setting up an ACO-MS account.

- [ACO-MS Training: How to Log into ACO-MS](#)
- [ACO-MS Training: How to Manage Contacts](#)
- [ACO-MS Training: How to Log into ACO-MS as an Invited User](#)
- [ACO-MS: Initial Access Information](#)

2.3.2 REVIEW RESOURCES FOR APPLICATION SUBMISSION

Application submission resources for the July 1, 2019 and January 1, 2020 Shared Savings Program start dates are available on the [Application Types & Timeline webpage](#) and the [Application Toolkit webpage](#). **CMS does not accept paper applications or emailed applications, and will not accept late or incomplete submissions.**

Appendix A: Resources

Refer to the materials listed in Table 3 below for assistance during the Shared Savings Program NOIA and application processes.

Table 3. Application Resources

RESOURCE	DESCRIPTION
Program Statutes & Regulations webpage	Shared Savings Program regulations
Application Types & Timeline webpage	Key application cycle deadlines and additional resources to help complete the application
Application Toolkit webpage	Materials to help applicants complete the application(s); the toolkit serves as a reference page for quick access to the Application Reference Manual, application checklists, and guidance documents
Application Webinars webpage	Upcoming and past CMS-hosted webinars, as well as presentation materials and transcripts when available
SNF 3-Day Rule Waiver Guidance	SNF 3-Day Rule Waiver background and requirements
ACO Participant List and Participant Agreement Guidance	Information and requirements on the ACO Participant List and ACO Participant Agreements
Repayment Mechanism Arrangements Guidance	Information on setting up a repayment mechanism(s)

CONTACTS FOR ASSISTANCE

- For NOIA and application questions: SSPACO_Applications@cms.hhs.gov
 - Please include your ACO ID and a short description of the inquiry in the Subject line.
- For help using ACO-MS and for technical assistance: APOSD@cms.hhs.gov or 1-888-734-6433 (Option 1)

Appendix B: Initial NOIA Questions

The NOIA questions for initial applicants are applicable to the following cohorts:

- New Medicare Shared Savings Program ACOs
- Re-entering Shared Savings Program ACOs

CMS will only accept NOIAs through online submission, which is available in ACO-MS for initial applicants.

SECTION 1: ACO Legal Entity Information

1. Check the type of applicant you are:
 - Initial (applying to the Shared Savings Program to participate for a first agreement period)
 - Re-entering (previously participated in the Shared Savings Program and applying to participate for a new agreement period)
2. What is your ACO taxpayer identification number (TIN)? [Enter TIN Digits]
3. Has your ACO participated in the Shared Savings Program under a different TIN?
 - Yes (Please specify your previous ACO's TIN) _____
 - No
4. What is your ACO's date of formation? [Enter MM/DD/YYYY]
5. What is your ACO's legal entity type? (Select one)
 - Sole proprietorship
 - Partnership
 - Publicly traded corporation
 - Privately held corporation
 - Limited liability company
 - Other (specify) _____
6. What is your ACO's tax status? (Select one)
 - For profit
 - Not-for-profit
7. Is your ACO owned or operated by a management company or parent company? (Select one)
 - Yes (specify) _____
 - No

SECTION 2: Track Selection

8. Select the Shared Savings Program track to which your ACO intends to apply. (Only select one)

BASIC track glide path:

- Level A of the BASIC track (one-sided model)
- Level B of the BASIC track (one-sided model)
- Level C of the BASIC track (two-sided model)
- Level D of the BASIC track (two-sided model)
- Level E of the BASIC track (two-sided model)

ENHANCED track:

- ENHANCED track (two-sided model)

SECTION 3: Skilled Nursing Facility (SNF) 3-Day Rule Waiver and Beneficiary Incentive Program

Information in this section is only applicable to ACOs applying to Levels C, D, or E of the BASIC track or to the ENHANCED track.

9. I am electing to submit this NOIA for a SNF 3-Day Rule Waiver.

- Yes
- No

10. I am electing to submit this NOIA to establish a Beneficiary Incentive Program.

- Yes
- No

SECTION 4: Repayment Mechanism Selection

Information in this section is only applicable to ACOs applying to Levels C, D, or E of the BASIC track or to the ENHANCED track.

11. What repayment mechanism(s) does your ACO intend to use to repay CMS for any losses owed? (Select all that apply)

- Funds placed in escrow
- Surety bond
- A line of credit that the Medicare program can draw upon, as evidenced by a letter of credit

12. ACOs may submit a draft repayment mechanism and receive early feedback. Is your ACO submitting a draft repayment mechanism?

- Yes [Choose file and upload]
- No

SECTION 5: Sample ACO Participant and/or SNF Affiliate Agreement

13. Is your ACO submitting a sample ACO Participant Agreement(s) with your NOIA submission?

- Yes [Choose file and upload, and complete ACO Participant Agreement table]
- No

14. Is your ACO submitting a sample SNF Affiliate Agreement(s) with your NOIA submission? (only applicable if the ACO is submitting a NOIA for the SNF 3-Day Rule Waiver)
- Yes [Choose file and upload, and complete SNF Affiliate Agreement table]
 - No

SECTION 6: ACO Contact Information

15. What is your ACO's full legal entity name and location?
- Full legal entity name
 - Trade name/DBA (optional)
 - Legal entity address
16. Please enter the contact information for your ACO Executive contact.
- Prefix
 - Name
 - Title
 - Phone number
 - Phone extension (optional)
 - Address
 - Email address
17. Please enter the contact information for your ACO's Application contact (primary).
- Prefix
 - Name
 - Title
 - Phone number
 - Phone extension (optional)
 - Address
 - Email address
18. Please enter the contact information for your ACO's Application contact (secondary).
- Prefix
 - Name
 - Title
 - Phone number
 - Phone extension (optional)
 - Address
 - Email address

Appendix C: Renewal NOIA Questions

The NOIA questions for renewal applicants are applicable to the following cohorts:

- Renewal Applicants
- Early Renewal Applicants

CMS will only accept NOIAs through online submission, which is available in ACO-MS for renewal applicants.

SECTION 1: ACO Legal Entity Information

1. Is your ACO owned or operated by a management company or parent company?
(Select one)
 - Yes (specify) _____
 - No

SECTION 2: Track Selection

2. Select the Shared Savings Program track to which your ACO intends to apply. (Only select one)

BASIC track glide path:

- Level B of the BASIC track (one-sided model)
- Level C of the BASIC track (two-sided model)
- Level D of the BASIC track (two-sided model)
- Level E of the BASIC track (two-sided model)

ENHANCED track:

- ENHANCED track (two-sided model)

SECTION 3: Skilled Nursing Facility (SNF) 3-Day Rule Waiver and Beneficiary Incentive Program

Information in this section is only applicable to ACOs applying to Levels C, D, or E of the BASIC track or to the ENHANCED track.

3. I am electing to submit this NOIA for a SNF 3-Day Rule Waiver.
 - Yes
 - No
- 3.1. I am electing to submit this NOIA to continue usage of my currently approved SNF 3-Day Rule Waiver for my next agreement period.
 - Yes
 - No
4. I am electing to submit this NOIA to establish a Beneficiary Incentive Program.
 - Yes

- No

SECTION 4: Repayment Mechanism Selection

Information in this section is only applicable to ACOs applying to Levels C, D, or E of the BASIC track or to the ENHANCED track.

5. What repayment mechanism(s) does your ACO intend to use to repay CMS for any losses owed? (Select all that apply)
 - Funds placed in escrow
 - Surety bond
 - A line of credit that the Medicare program can draw upon, as evidenced by a letter of credit
6. Does your ACO intend to use your previous repayment mechanism for its next agreement period?
 - Yes [Choose file and upload]
 - No

Note: An ACO is permitted to use its existing repayment mechanism or establish a new repayment mechanism as assurance of its ability to repay shared losses incurred for performance years in its new agreement period. If you choose to use your existing repayment mechanism, your ACO will be required to extend the term of the existing repayment mechanism for the duration of the ACO's participation in a two-sided model plus 12 months following the conclusion of the agreement period or by securing a repayment mechanism for an initial term that covers, at a minimum, the current performance year under two-sided risk plus a 12-month tail period and includes a clause that provides for automatic renewal of the mechanism on an annual basis through the end of the 12-month tail period following the end of the agreement period. In addition to the term requirement, your ACO may be required to increase the amount of the repayment mechanism to reflect the new repayment mechanism amount.

7. ACOs may submit a draft repayment mechanism and receive early feedback. Is your ACO submitting a draft repayment mechanism?
 - Yes [Choose file and upload]
 - No

SECTION 5: Sample ACO Participant and/or SNF Affiliate Agreement

8. Is your ACO submitting a sample ACO Participant Agreement(s) with your NOIA submission?
 - Yes [Choose file and upload, and complete ACO Participant Agreement table]
 - No

9. Is your ACO submitting a sample SNF Affiliate Agreement(s) with your NOIA submission? (only applicable if the ACO is submitting a NOIA for the SNF 3-Day Rule Waiver)
- Yes [Choose file and upload, and complete SNF Affiliate Agreement table]
 - No

Appendix D: NOIA Questions for Currently Participating ACOs Applying for a SNF 3-Day Rule Waiver or to Establish a Beneficiary Incentive Program

CMS will only accept NOIAs through online submission, which is available in ACO-MS.

SECTION 1: Skilled Nursing Facility (SNF) 3-Day Rule Waiver

Information in this section is only applicable to ACOs currently participating in Track 3 (herein referred to as the ENHANCED track), Medicare ACO Track 1+ Model, and ACOs entering Levels C, D, or E of the BASIC track.

1. I am electing to submit this NOIA for a SNF 3-Day Rule Waiver.
 - Yes
 - No

SECTION 2: Sample SNF Affiliate Agreement

2. Is your ACO submitting a sample SNF Affiliate Agreement(s) with your NOIA submission? (only applicable if the ACO is submitting a NOIA for the SNF 3-Day Rule Waiver)
 - Yes [Choose file and upload, and complete SNF Affiliate Agreement table]
 - No

SECTION 3: Beneficiary Incentive Program

Information in this section is only applicable to ACOs currently participating in Track 2, Track 3 (herein referred to as the ENHANCED track), and ACOs entering Levels C, D, or E of the BASIC track.

3. I am electing to submit this NOIA to establish a Beneficiary Incentive Program.
 - Yes
 - No

Appendix E: Shared Savings Program Participation Options

	BASIC Track's Glide Path				ENHANCED Track
	Level A & Level B (one-sided model)	Level C (risk/reward)	Level D (risk/reward)	Level E (risk/reward)	
Shared Savings (once MSR met or exceeded)	1 st dollar savings at a rate up to 40% based on quality performance; not to exceed 10% of updated benchmark	1 st dollar savings at a rate of up to 50% based on quality performance, not to exceed 10% of updated benchmark	1 st dollar savings at a rate of up to 50% based on quality performance, not to exceed 10% of updated benchmark	1 st dollar savings at a rate of up to 50% based on quality performance, not to exceed 10% of updated benchmark	1 st dollar savings at a rate of up to 75% based on quality performance, not to exceed 20% of updated benchmark
Shared Losses (once MLR met or exceeded)	N/A	1 st dollar losses at a rate of 30%, not to exceed 2% of ACO participant revenue capped at 1% of updated benchmark	1 st dollar losses at a rate of 30%, not to exceed 4% of ACO participant revenue capped at 2% of updated benchmark	1 st dollar losses at a rate of 30%, not to exceed the percentage of revenue specified in the revenue-based nominal amount standard under the Quality Payment Program (for example, 8% of ACO participant revenue in 2019 – 2020), capped at a percentage of updated benchmark that is 1 percentage point higher than the expenditure-based nominal amount standard (for example, 4% of updated benchmark in 2019 – 2020)	1 st dollar losses at a rate of 1 minus final sharing rate (between 40% - 75%, not to exceed 15% of updated benchmark
Annual choice of beneficiary assignment methodology?	Yes	Yes	Yes	Yes	Yes

	BASIC Track's Glide Path				ENHANCED Track
	Level A & Level B (one-sided model)	Level C (risk/reward)	Level D (risk/reward)	Level E (risk/reward)	
Annual election to enter higher risk?¹	Yes	Yes	No; ACO will automatically transition to Level E at the start of the next performance year	No; maximum level of risk / reward under the BASIC track	No; highest level of risk under Shared Savings Program
Advanced APM status under the Quality Payment Program?^{2 3}	No	No	No	Yes	Yes

Notes: ¹An eligible new legal entity (not identified as a re-entering ACO), identified as a low revenue ACO and inexperienced with performance-based risk Medicare ACO initiatives that elects to enter the BASIC track's glide path at Level A is automatically advanced to Level B for performance year 2 (or performance year 3 in the case of ACOs entering an agreement period beginning on July 1, 2019). Prior to the automatic advancement of the ACO to Level C, the ACO may elect to remain in Level B for performance year 3 (performance year 4 in the case of ACOs entering an agreement period beginning on July 1, 2019). In the case of an ACO that elects to remain in Level B for an additional performance year, the ACO is automatically advanced to Level E at the start of performance year 4 (or performance year 5 in the case of ACOs entering an agreement period beginning on July 1, 2019).

²To be an Advanced APM, an APM must meet the following three criteria: 1. CEHRT criterion: requires participants to use certified electronic health record technology (CEHRT); 2. Quality Measures criterion: provides payment for covered professional services based on quality measures comparable to those used in the quality performance category of the Merit-based Incentive Payment System (MIPS); and 3. Financial Risk criterion: either (1) be a Medical Home Model expanded under CMS Innovation Center authority; or (2) require participating APM Entities to bear more than a nominal amount of financial risk for monetary losses. See, for example Alternative Payment Models in the Quality Payment Program as of February 2018, available at <https://www.cms.gov/Medicare/Quality-Payment-Program/ResourceLibrary/Comprehensive-List-of-APMs.pdf>

³ As proposed, BASIC track Levels A, B, C and D would not meet the Financial Risk criterion and therefore would not be Advanced APMs. Level E of the BASIC track and the ENHANCED track would meet all three Advanced APM criteria and thus would qualify as Advanced APMs. These preliminary assessments reflect the policies discussed in this final rule. CMS will make a final determination based on the policies adopted in the [December 2018 Shared Savings Program final rule](#).

Appendix F: Participation Options for Low Revenue ACOs Based on Applicant Type and Experience with Risk

Participation Options¹

Applicant Type	ACO experienced or inexperienced with performance-based risk Medicare ACO initiatives	BASIC track's glide path (option for incremental transition from one-sided to two sided models during agreement period)	BASIC track's Level E (track's highest level of risk/reward applies to all performance years during agreement period)	ENHANCED track (program's highest level of risk/reward applies to all performance years during agreement period)	Agreement period for policies that phase-in over time (benchmarking methodology and quality performance)
New legal entity	Inexperienced	Yes - glide path Levels A through E; new legal entities (not reentering ACOs) that are low revenue ACOs may elect to enter in Level A, transition to Level B, and remain in Level B for an additional performance year prior to being automatically advanced to Level E for the remaining performance years of their agreement period	Yes	Yes	First agreement period
New legal entity	Experienced	No	Yes	Yes	First agreement period

Applicant Type	ACO experienced or inexperienced with performance-based risk Medicare ACO initiatives	BASIC track's glide path (option for incremental transition from one-sided to two sided models during agreement period)	BASIC track's Level E (track's highest level of risk/reward applies to all performance years during agreement period)	ENHANCED track (program's highest level of risk/reward applies to all performance years during agreement period)	Agreement period for policies that phase-in over time (benchmarking methodology and quality performance)
Re-entering ACO	Inexperienced - former Track 1 ACOs or new ACOs identified as re-entering ACOs because more than 50 percent of their ACO participants have recent prior experience in a Track 1 ACO	Yes - glide path Levels B through E	Yes	Yes	Either: (1) the next consecutive agreement period if the ACO's prior agreement expired; (2) the same agreement period in which the ACO was participating at the time of termination; or (3) applicable agreement period ² for new ACO identified as re-entering because of ACO participants' experience in the same ACO
Re-entering ACO	Experienced - including former Track 1 ACOs that deferred renewal under a two-sided model	No	Yes	Yes	Either: (1) the next consecutive agreement period if the ACO's prior agreement expired; (2) the same agreement period in which the ACO was participating at the time of termination; or (3) applicable agreement period ² for new ACO identified as re-entering because of ACO participants' experience in the same ACO
Renewing ACO	Inexperienced - former Track 1 ACOs	Yes – glide path Levels B through E	Yes	Yes	Subsequent consecutive agreement period

Applicant Type	ACO experienced or inexperienced with performance-based risk Medicare ACO initiatives	BASIC track's glide path (option for incremental transition from one-sided to two sided models during agreement period)	BASIC track's Level E (track's highest level of risk/reward applies to all performance years during agreement period)	ENHANCED track (program's highest level of risk/reward applies to all performance years during agreement period)	Agreement period for policies that phase-in over time (benchmarking methodology and quality performance)
Renewing ACO	Experienced - including former Track 1 ACOs that deferred renewal under a two-sided model	No	Yes	Yes	Subsequent consecutive agreement period

Notes: ¹ Low revenue ACOs may operate under the BASIC track for a maximum of two agreement periods.

² We consider the participation of the ACO in which a majority of the new ACO's participants were participating: (1) If the participation agreement of the other ACO was terminated, then the new ACO reenters the program at the start of the same agreement period in which the other ACO was participating at the time of termination from the Shared Savings Program, beginning with the first performance year of that agreement period. (2) If the participation agreement of the other ACO expired without having been renewed, then the new ACO re-enters the program under the other ACO's next consecutive agreement period in the Shared Savings Program. (3) If the other ACO is currently participating in the program, the new ACO would be considered to be entering into the same agreement period in which this other ACO is currently participating, beginning with the first performance year of that agreement period.

Appendix G: Participation Options for High Revenue ACOs Based on Applicant Type and Experience with Risk

Participation Options¹

Applicant Type	ACO experienced or inexperienced with performance-based risk Medicare ACO initiatives	BASIC track's glide path (option for incremental transition from one-sided to two sided models during agreement period)	BASIC track's Level E (track's highest level of risk/reward applies to all performance years during agreement period)	ENHANCED track (program's highest level of risk/reward applies to all performance years during agreement period)	Agreement period for policies that phase-in over time (benchmarking methodology and quality performance)
New legal entity	Inexperienced	Yes – glide path Levels A through E	Yes	Yes	First agreement period
New legal entity	Experienced	No	No	Yes	First agreement period
Re-entering ACO	Inexperienced - former Track 1 ACOs or new ACOs identified as re-entering ACOs because more than 50 percent of their ACO participants have recent prior experience in a Track 1 ACO	Yes - glide path Levels B through E	Yes	Yes	Either: (1) the next consecutive agreement period if the ACO's prior agreement expired; (2) the same agreement period in which the ACO was participating at the time of termination; or (3) applicable agreement period ² for new ACO identified as re-entering because of ACO participants' experience in the same ACO

Applicant Type	ACO experienced or inexperienced with performance-based risk Medicare ACO initiatives	BASIC track's glide path (option for incremental transition from one-sided to two sided models during agreement period)	BASIC track's Level E (track's highest level of risk/reward applies to all performance years during agreement period)	ENHANCED track (program's highest level of risk/reward applies to all performance years during agreement period)	Agreement period for policies that phase-in over time (benchmarking methodology and quality performance)
Re-entering ACO	Experienced - including former Track 1 ACOs that deferred renewal under a two-sided model	No	No	Yes	Either: (1) the next consecutive agreement period if the ACO's prior agreement expired; (2) the same agreement period in which the ACO was participating at the time of termination; or (3) applicable agreement period ² for new ACO identified as re-entering because of ACO participants' experience in the same ACO
Renewing ACO	Inexperienced – former Track 1 ACOs	Yes – glide path Levels B through E	Yes	Yes	Subsequent agreement period
Renewing ACO	Experienced – including former Track 1 ACOs that deferred renewal under a two-sided model	No	No (except for a one-time renewal option for ACOs with a second or first agreement period beginning in 2016 or 2017 that participated in Track 1+ Model)	Yes	Subsequent agreement period

Notes: ¹ High revenue ACOs that have participated in the BASIC track are considered experienced with performance-based risk Medicare ACO initiatives and are limited to participating under the ENHANCED track for subsequent agreement periods.

² We consider the participation of the ACO in which a majority of the new ACO's participants were participating: (1) If the participation agreement of the other ACO was terminated, then the new ACO reenters the program at the start of the same agreement period in which the other ACO was participating at the time of termination from the Shared Savings Program, beginning with the first performance year of that agreement period. (2) If the participation agreement of the other ACO expired without having been renewed, then the new ACO re-enters the program under the other ACO's next consecutive agreement period in the Shared Savings Program. (3) If the other ACO is currently participating in the program, the new ACO would be considered to be entering into the same agreement period in which this other ACO is currently participating, beginning with the first performance year of that agreement period.