

**Medicare Shared Savings Program and
Advance Payment Model Application Process
National Provider Call
Moderator: Leah Nguyen
March 1, 2012
1:30 p.m. ET**

Contents

Introduction..... 2
Presentation..... 3
Polling..... 16
Question and Answer Session..... 17

Operator: At this time, I would like to welcome everyone to the Medicare Shared Savings Program and Advance Payment Model Application Process National Provider Call.

All lines will remain in a listen-only mode until the question and answer session. This call is being recorded and transcribed. If anyone has any objections, you may disconnect at this time. Thank you for your participation in today's call. I will now turn the call over to Leah Nguyen.

Thank you, ma'am. You may begin.

Introduction

Leah Nguyen: I am Leah Nguyen from the Provider Communications Group here at CMS, and I will serve as your moderator today. I would like to welcome you to this National Provider Call on the Medicare Shared Savings Program and Advance Payment Model Application Process.

On October 20th, 2011, the Centers for Medicare & Medicaid Services issued a final rule under the Affordable Care Act to establish the Medicare Shared Savings Program along with a notice for the Advance Payment Model that will provide additional support to physician-led and rural Accountable Care Organizations participating in the Medicare Shared Savings Program.

These two initiatives will help providers participate in ACOs to improve quality of care for Medicare patients. During this National Provider Call, CMS subject-matter experts will provide an overview and updates to the Medicare Shared Savings Program application and the Advance Payment Model application processes. A question and answer session will follow the presentation.

Before we get started, I have a few announcements. This call is being recorded and transcribed. The audio recording and written transcript will be posted soon to the National Provider Call and Events section of the Fee-For-Service National Provider Calls webpage.

There is a slide presentation for this session. If you have not already downloaded the slide presentation, you may do so now by going to the Fee-For-Service National Provider Calls webpage at www.cms.gov/npc. Again, that URL is www.cms.gov/npc. At the left side of the webpage, select National Provider Calls and Events, then select the March 1st call from the list.

I would also like to thank those of you who submitted questions when you registered for today's call. The questions were shared with the speakers to help prepare slides and remarks for today's presentation.

Please note that although we may not be able to address every question submitted during registration, we will review them to help us develop frequently asked questions, educational products, or future messaging on these programs.

At this time, I would like to introduce Tricia Rodgers, Deputy Director of the Performance-Based Payment Policy Group here at CMS, who will cover the Medicare Shared Savings Program application process.

Presentation

Tricia Rodgers: Thanks, Leah.

Good afternoon, everyone, and thank you for joining us for the call. This presentation is aimed at providers who are interested in participating in the Medicare Shared Savings Program Accountable Care Organizations.

Today, we will give you a brief background of the Accountable Care Organizations, or ACOs, the various initiatives here that CMS is sponsoring, as well as specific information regarding the Shared Savings Program and the Advance Payment Model application process and key dates.

We will go step-by-step with you through the process. We will also provide information to help you fill out and submit your Medicare Shared Savings Program application, and we'll go over the acceptance or denial process. And

then, Maria Alexander will review the Advance Payment Model application process.

I'm on slide four of the presentation now. As Leah noted, in October 2011, we issued rules and notices which add to the menu of options for providers looking to better coordinate care for patients.

Anyone who has been involved in our healthcare system, whether as a provider, a patient, or a family member of a patient, knows that our healthcare system is fragmented. It has developed in pieces, and fragmentation of payment, especially Fee-For-Service payment reinforces this fragmented care.

Accountable Care Organizations are a new approach to the delivery of healthcare aimed at reducing fragmentation, improving population health, and lowering overall growth in healthcare expenditures by promoting accountability for the care of Medicare Fee-For-Service beneficiaries, improving coordination for services provided under Medicare Parts A and B, and encouraging investment in infrastructure and redesigned care processes.

Moving to slide five, while many providers are embracing these changes, it will take time. As a result, Medicare provider organizations throughout the country are in various transitional phases. In order to facilitate a move toward participating in ACOs, CMS has developed several initiatives that meet providers at their level of readiness.

The initiatives on slide six show multiple pathways that encourage constant learning and improvement in the healthcare industry. CMS' ACO strategy is to create multiple pathways for organizations to participate.

There's the Shared Savings Program with two tracks available, the Pioneer ACO model that runs under the Innovation Center, which is testing different ACO models to inform the program. Then there's the Advance Payment Model which is also run out of the Innovation Center and is for qualifying ACOs in the Medicare Shared Savings Program. And Maria will talk more about that in a bit.

Now I'm on slide eight. The Medicare Shared Savings Program was enacted by Congress through Section 1899 of the Social Security Act as amended by Section 3022 of the Affordable Care Act. The final rule addressed over 1,300 comments and went on display at the Federal Register on October 20th, 2011, and was published on November 2nd, 2011.

This final rule established the Medicare Shared Savings Program for Accountable Care Organizations. The Medicare Shared Savings Program is a voluntary program for healthcare providers that agree to become accountable for the quality, cost, and overall care of Medicare beneficiaries in the traditional Fee-For-Service program.

By focusing on the needs of the patient and linking payment rewards to outcomes, Medicare Shared Savings Program's goals are to improve the health of individuals and communities while lowering the growth in costs.

ACOs may accomplish this by carefully coordinating patient care in order to eliminate duplication and eliminate medical errors and mismanagement. Ultimately, we believe that changes in infrastructure and redesigning care will increase our beneficiaries' quality of care while also reducing time and cost.

Slide nine represents the key dates for the Medicare Shared Savings Program application cycle for both April 1st and July 1st start dates. As you can see, this is an ambitious schedule. And I will walk through each section of the process in subsequent slides, but these are the deadlines for each step in the application process.

As you can see, the deadline to submit a Notice of Intent to apply for the July 1 program start date was February 17th. And we also extended the CMS User ID application deadline until last Monday, February 27th.

We are accepting applications beginning today, March 1st, through March 30th, 2012, and we will send approval or denial notices by May 31st, 2012, for the July 1st program start date.

It's important to note that if you cannot complete a requirement by a specified date, you must wait until the next cycle to apply, which, in this case, would be for the January 2013 program start date.

Although we will provide more information on key dates for the January 1st, 2013, start date this spring, please note that we are accepting Notices of Intent to Apply for January until June 15th of this year.

Moving on to slide 11, although you've already gone through the process of submitting a Notice of Intent to apply to be considered for a July 1st start date, I'll briefly walk through these steps for future applicants.

Submitting a Notice of Intent to apply, or NOI, does not require you to submit an application. However, you must have an ACO ID which comes out of the NOI process prior to requesting – prior to filling out a Medicare Shared Savings Program application.

The CMS User ID is necessary to access the Health Plan Management System, or HPMS, to complete and submit your ACO application. You must also have a CMS User ID to access data as accepted into the Medicare Shared Savings Program.

I am on slide 12 now. So once you start – once you're on the Shared Savings Program website, you would scroll down to the "Download" section. Click on the link called "ACO NOI Memo – Application."

And on page 2 of the memo, you would click the link in the first paragraph on "How to Submit a Notice of Intent to Apply." This will send you to an online web form at the Vovici website.

You would fill out all eight questions and click "Submit survey" to complete your Notice of Intent to apply, indicating your interest in participating in the Shared Savings Program. You would then receive an email acknowledgment containing your ACO ID number and instructions on how to request a CMS User ID.

Please note, that the June 15th, 2012, Notice of Intent deadline on slide 12 is for January 1st, 2013, start date; as we noted previously, the deadline for NOIs for the July 1st start date ended February 17th.

I'm on slide 13. And after you've received your NOI acknowledgment letter via email, your next step will be to obtain a CMS User ID. There are specific instructions on our website explaining how to fill out the CMS User ID application. And we strongly advise that you follow these instructions as you fill it out.

We are requesting that each ACO applicant submit up to three CMS User ID applications. And this would include two applications for information technology contact. And if the person who is entering the electronic application is different than the I.T. contact, please submit a separate application for CMS User ID for this person as well.

If you have not received an email confirmation about your CMS User ID by Friday, March 9th, please contact the HPMS access email immediately, and that email address is hpms_access@cms.hhs.gov. And that is for those who have submitted a User ID by the deadline of Monday the 27th of February.

If you did not complete a CMS User ID application correctly, the HPMS access team will contact you. Please respond to their email immediately so that you can receive your User ID as soon as possible.

Please note that it's the responsibility of the ACO applicant to notify CMS if an employee is terminated. You must submit documentation including the ACO legal name, the ACO ID number, and the employee's full name, and his or her CMS User ID as soon as the employee is terminated or leaves. We also want to be clear that the CMS User ID numbers are issued to individual people and should never be shared with another person.

By this date, your Notices of Intent to apply are complete and you've received your ACO ID, so let's move on to slide 14 to walk through the application. An updated Medicare Shared Savings application package will soon be available for download at

www.cms.gov/sharedsavingsprogram/37_application.asp, and that's in the "Download" section of our Shared Savings Program website.

The updated application package will include the application itself, the Electronic Funds Transfer, or EFT Authorization Agreement, that's also known as CMS Form 588 and on our website as Appendix A; the ACO participant and other entities list, and instruction, and template in Appendix B; the CMS Data Use Agreement as Appendix C; the Application Reference Guide as Appendix D; and the Governance Body Template as Appendix E.

Slide 16 contains a screenshot of Appendix D, the Application Reference Guide. We suggest that you use this reference guide as you work your way through the application. We developed the guide to help you complete each section in the application. It references the regulation citation, the page on which the citation appears in the final rule, whether supporting documentation is required in the application and the naming convention for files that need to be uploaded. It is an adjunct to the application and a quick reference for the final rule for each pertinent section.

Slide 17 displays the application table of contents and you can see that the application follows the outline of the final rule. It covers the organizational overview, legal requirements, participation in other Medicare initiatives involving shared savings, financial section, provider information, data sharing, required clinical processes and patient-centeredness, and the application certification.

As you make your way through the application questions, you will see that in some cases, depending on your answer, you may need to submit a narrative in addition to responding to the question.

For example, on slide 18, you see a screenshot of page 12 of the application. Here, you are asked about your operations management structure. If you respond in the negative, we ask you to describe how you intend to manage the operations of the ACO and how this alternative leadership and management structure is accomplished as part of the ACO admission.

Slide 19 displays the banking information section of the application where you are asked to submit the CMS form 588 or Appendix A. This signed 588 form is essential for you to get a shared savings payment. Shared savings will be deposited directly to this account. It is due at the same time as the application. Applications are not considered complete until CMS receives this form.

If you have any questions about filing your CMS 588 with us, there is a tutorial available at the website noted on the slide. Please submit the CMS form 588 to the address noted in the application.

Moving on to slide 20, page 16 of the application asks you to submit a list of participant Tax Identification Numbers, or TINs, and CMS Certification Numbers, or CCNs. Appendix B contains the participant and other entities list instructions and template. You must submit one participant list for each ACO. Multiple participant lists will not be accepted.

Please note that participant TINs may be listed in only one Medicare ACO. If TINs or CCNs are found in multiple ACO participant lists, we will notify you of their duplicity. This is done to avoid overlap and duplicate payments. Providers may function in other ACOs or other medical practices, but they can only provide and bill for services in one Medicare ACO.

It is important to understand that beneficiary assignment is based on primary care services rendered by ACO participants. Each ACO participant TIN that bills Medicare for primary care services must be exclusive to a single Medicare Shared Savings Program ACO.

ACO participant TINs that do not bill Medicare for primary care services may apply for participation in more than one Medicare Shared Savings Program. This also means that we view all practitioners billing through the participant TIN as part of the ACO.

Slide 21 depicts Appendix C or the data use agreement. If you responded that you will request beneficiary-identifiable data and Medicare-specific data and

you are accepted into the program, you will be required to sign and return a data use agreement before receiving CMS data.

I'm on slide 22 now, which shows page 18 of the application. There, you will be asked to attest that all statements made in this application are true, correct, and complete. It is imperative that you read and understand the program regulations before signing the application, certifying that everything you have attested to is true and clear to the best of your knowledge.

For electronic submissions, you will select either the "I agree" button or the "I disagree" button. And for paper applications, we require the CEO or Executive Director to sign the certification and mail the complete application via tracked mail to us.

Although we do not have a specific slide for the following information, we wanted to point out some areas in the application that need particular attention.

First, our final rule requires that you provide us with participant agreements upon request. On page 15 of the application, question 35 requires that you provide a sample agreement between the ACO applicant and the ACO participant TINs and other entities furnishing services related to ACO activity. You must be sure that the agreement is between the provider or supplier of services and the ACO participant, which is the billing entity.

In addition, this agreement must be specifically for the Medicare Shared Savings Program and require that the ACO participant and all associated ACO providers and suppliers bill through that ACO's TIN in order to comply with our regulation. Agreements must also have a process in place to ensure that participants comply with the rules and how the ACO will deal with participants who do not – who are not compliant.

Second, as you respond to the governing body section of the application, you must show that your governing body has a fiduciary duty to the ACO. You must also indicate which governing body members are associated with which ACO participant.

Third, on page 13 of the application, question 26. In addition to describing how you plan to use any Shared Savings payment, please remember to also include the percentage of savings you will distribute to each category you list in your narrative regarding Shared Savings.

Fourth, on page 17 of the application, we ask that you provide us your ACO's definition of the four patient-centered processes. For each of the four pillars, you must demonstrate that you currently have a process in place to ensure that participants comply with the rules and how they will be held responsible if they are not compliant.

And finally, under the data sharing section of page 16 of the application, if you indicate your preference to request beneficiary-identifiable information, we ask you in question 40 to demonstrate to us how you can ensure the security of all Medicare data as well as how you plan to use this data. In our first round of applications, we found that these five specific areas in the application needed some extra highlighting.

Now, moving on to slide 23, the ACO applicants have two options to submit applications either through tracked mail or electronically through our online automated system in HPMS. We are strongly encouraging ACOs to submit applications through the automated system. We will accept paper submissions, however.

To submit an application—a paper application using tracked mail such as FedEx, we must receive it by March 30th, 2012, for a July 1st start date. Send the completed application with original signature and supporting documentation to the Centers for Medicare & Medicaid Services, attention Kari Vandegrift, MailStop C5-15-12, 7500 Security Boulevard, Desk Location C4-07-01, Baltimore, Maryland 21244.

As we said before, we strongly encourage you to submit your application through the automated system in HPMS. Although slide 24 said you can access the automated application through your website, technically you will access the system through the link provided in your CMS User ID email notification.

The information you provided during the NOI submission will be pre-populated in the online electronic application. If you need to change any of the pre-populated information, you must request the change through the application email box at SSPACO_Applications@cms.hhs.gov.

Moving to slide 25, during our application review, we may request that you submit additional information because a portion or portions of the application are incomplete. If you applied electronically, you must upload the additional information to HPMS. If you submitted a paper application, send the additional information through the mail. If you did not submit the information in a timely manner, we will not accept the submission.

I'm on slide 26 now, which talks about after we reviewed your application and supporting documents. We will send you an email either accepting or denying your application by May 31st, 2012, for the July 1st start date. If you are approved, you will be asked to sign and date the Medicare Shared Savings Agreement and sign and date the DUA.

If your application is denied, you will receive an email to this effect, and you will have the opportunity to request a reconsideration review. If you choose to seek a reconsideration review, we must receive your request within 15 days of the date of your denial email. If you do not meet this deadline, you will not be reconsidered for the start date. However, you may re-submit your complete application with supporting documents for the next cycle, which in this case would be for January 1st, 2013.

Slide 27 outlines how to withdraw an application. If you decide to withdraw your application, you must submit a written request prior to May 31st, 2012. This request must be on your organization's letterhead and signed by your CEO.

Please include the following information in the request: your legal entity name, your ACO ID number, your complete address, point of contact information, and the exact description of the nature of the withdrawal. And you may submit this request either in a PDF format via email to our

applications mailbox at SSPACO_Applications@cms.hhs.gov or you may mail the request to us at the address provided.

We anticipate that you will have questions throughout this process, so when questions arise, please contact us as indicated on slide 28 at our applications mailbox. We would like to reiterate that it is critical to meet all the deadlines in order for your application to be accepted.

Any applications or supporting documents received after the scheduled time will not be considered for the current cycle. We also encourage you to submit your applications as early as possible to give yourself plenty of time to complete any request for further information.

Slide 29 shows our website again and gives the application email address.

So this concludes the Medicare Shared Savings Program portion of the call. And at this time, I'll turn it back over to Leah.

Leah Nguyen: Thank you, Tricia.

Our next presenter is Maria Alexander, Advance Payment Lead from the CMS Innovation Center, who will cover the Advance Payment Model.

Maria Alexander: Thanks, Leah, and thanks everyone for joining the call today. As Leah said, I'm going to talk about the Advance Payment Model and I'm starting off on slide 31.

So the Advance Payment Model is an initiative sponsored by the Centers for Medicare & Medicaid Innovation. It is designed to provide physician-based ACOs and ACOs at rural hospitals participating in the Shared Savings Program with advance payments. So it is a complement of the Shared Savings Program, and you are not required to apply to the Advance Payment Model to participate in the Shared Savings Program. You are, however, required to participate in the Shared Savings Program to apply for the Advance Payment Model.

So a request for public comment was released in May of 2011 regarding the Advance Payment Model, and we received comments and responded to those with a Federal Register notice that was posted along with the Shared Savings Program final rule in October of 2011. And the majority of the comments that we've received were around the need for access to capital for those physician-based and rural ACOs and that's what the Advance Payment Model is directed at.

So moving on to slide 32, ACOs participating in the Advance Payment Model will receive three types of payments. First, they'll receive an upfront fixed payment of \$250,000. That will be combined with an upfront variable payment that will be based on the number of preliminarily prospectively assigned beneficiaries under the Shared Savings Program, and you will receive \$36.00 per beneficiary as an upfront payment in addition to the fixed payment.

Then, participating ACOs will receive a monthly payment that will also be dependent on the number of preliminarily prospectively assigned beneficiaries. That will be equal to \$8.00 per preliminarily prospectively assigned beneficiary and that will be received monthly from the beginning of the program through June of 2014.

Moving on to slide 33, the eligibility requirements for the Advance Payment Model. The Advance Payment Model is only open to participants in the Shared Savings Program that are entering in April 2012 or July of 2012. So while the Shared Savings Program will have annual enrollment, the Advance Payment Model will only be open to the 2012 participants.

It's open to two types of organizations, the first are ACOs that do not include any inpatient facilities and have less than \$50 million in total annual revenue. And the second category are ACOs in which the only inpatient facilities are critical access hospitals or Medicare low-volume rural hospitals.

Those organizations would have to have less than \$80 million in total annual revenue to be found eligible. And if you're looking for definitions of critical

access hospitals or Medicare low-volume rural hospitals, you can find both on our website, and the website will be shown at the end of my presentation.

One important clarification that we'd like to make is that total revenue means all revenue expressed net of contractual allowances and bad debts but not charges. And that will need to be reported for each ACO participant and for any organization that has an ownership stake of 5 percent or more in the ACO or in any of the participants.

And we are asking for total revenue, including all revenue sources, not just Medicare revenue. And the definition of ACO participant for the Advance Payment Model is the same as for the Shared Savings Program. We recommend that if you are applying for the Advance Payment Model, that you begin the work of filling out the revenue worksheet as early as possible in order to make sure that you are able to collect the relevant revenue information from all of the participants participating in your ACO.

Moving on to slide 34, the application process. So, organizations must complete applications for both the Shared Savings Programs and the Advance Payment Model in order to participate in the Advance Payment Model.

The Advance Payment Model does not require a separate Notice of Intent or a CMS User ID; however, you will need to have submitted a Notice of Intent to the Shared Savings Program.

For the April 2012 start date, the application period closed on February 1st. For the July start date, we'll be using the same application timeline as the Shared Savings Program which will run from March 1st, which is today, through March 30th. And as Tricia mentioned, the Notice of Intent deadline to apply for the July start date of the Shared Savings Program closed on February 17th. So you will have needed to – you will have – must have submitted a Notice of Intent prior to then to participate in the Advance Payment Model for July.

Moving on to slide 35. Applications for the Advance Payment Model must be completed and submitted through an online application web tool. The web

tool will only be available to applicants that request a user license, but anyone can view the application template which is a good representation of what will be in the application itself, and that is available at the website listed on this slide, which is slide 35.

In order to gain access to the online application itself for organizations that are interested in applying, you need to send an email request to our email inbox, advpayaco@cms.hhs.gov. They'll need to include your ACO ID that you received as a result of submitting a Notice of Intent for the Shared Savings Program, as well as the organization name and contact information for the primary point of contact.

And moving on to slide 36, we have the website for the Advance Payment Model. You can find out more information there, including our solicitation, the template that I mentioned before which outlines the entire application, as well as the application worksheet which is a crucial aspect of the Advance Payment Model application. That is the worksheet where you will report all revenue for ACO participants, and you can find that on our website.

The form posted on the website is the exact version that you will be using to apply to the Advance Payment Model.

And we are happy to answer any questions through our email inbox, which, again, is advpayaco@cms.hhs.gov.

And with that I will turn it back over to Leah.

Polling

Leah Nguyen: Thank you, Maria. At this time we will pause for a few minutes to complete keypad polling so that CMS has an accurate count of the number of participants on the line with us today. Please note there will be a few moments of silence while we tabulate the results.

Holley, we're ready to start polling.

Operator: CMS greatly appreciates that many of you minimize the government's teleconference expense by listening to these calls together in your office using only one line.

Today we would like to obtain an estimate of the number of participants in attendance to better document how many members of the provider community are receiving this valuable information.

At this time please use your telephone keypad and enter the number of participants that are currently listening in. If you are the only person in the room, enter one. If there are between two and eight of you listening in, enter the corresponding number between two and eight. If there are nine or more of you in the room, enter nine.

Again, if you are the only person in the room, enter one. If there are between two and eight of you listening in, enter the corresponding number between two and eight. If there are nine or more of you in the room, enter nine.

Please hold while we complete the polling. Please continue to hold while we complete the polling. Thank you for your participation. We will now move in to the Q and A session of the call.

In order to ask a question, please press star one on your touchtone phone. To remove yourself from the queue, please press the pound key. Please state your name and organization prior to asking a question, and pick up your handset before asking your question to assure clarity. Please note your line will remain open during the time you are asking your question, so anything you say or any background noise will be heard in the conference.

Please hold while we compile the Q and A roster. And your first question comes from the line of Carole Romano.

Question and Answer Session

Carole Romano: Hi, I'm from Pro Healthcare. Thank you for this. It's been very interesting. We filed our letter of intent and I received acknowledgment of that as well as

my CMS User ID with instructions to change my password using the EUA passport system, which I have done. Now, am I done in terms of my user name and passwords, or must I – is there another user name and password that I have to process before getting to the...?

Tricia Rodgers: Sorry, it sounds like you're all set.

Carole Romano: OK, great, and now it says that for the application I need my user name – I need my user name and password and I need to get two, have my IT people who are on the application, two individuals to do the same?

Tricia Rodgers: Well, you'll use your user name and password to go into HPMS to submit your application, and if you haven't already submitted two IT contacts, you'll need to do that to get user IDs, and then they'll create passwords, and then they'll need to go through the process to get set up for electronic file transfer.

Carole Romano: And how do I request that on their behalf?

Tricia Rodgers: They'll have to sign a form but you send that in. It's the same CMS User ID application that you filled out to get your...

Carole Romano: So I send – I can email them that and ask them to submit it on their own behalf?

Tricia Rodgers: Yes, it does need to be on the individual level.

Carole Romano: OK, very good. Thank you so much.

Tricia Rodgers: Thank you.

Operator: Your next question comes from the line of Tracy Mabry.

Tracy Mabry: Hi, this is Tracy Mabry with the law firm of Greenberg Traurig. My question is that there is a common issue for many applicants. They believe they will satisfy the minimum beneficiary threshold but they may not be sure, and if you have an application that is otherwise complete and satisfies the CMS requirements, will there be an opportunity more than the five days that is

mentioned in the materials to go out perhaps and contract with other ACO participants?

This is a problem in particular in some areas of the Southern U.S. where they have people we refer to as "snow birds" and have a couple of states that they live in and you just cannot be sure which state or which area they're going to be assigned to for the purposes of their primary care and ACO assignments. So other than other technical issues, how will you handle minimum threshold issues of that sort?

Tricia Rodgers: That's a very good question. Thank you for asking it. It all depends on how quickly the application is submitted.

If you submit it early, then there will be more time for, you know, request for information to be worked through or the participant list to be worked through, but the closer it gets to the March 30th deadline the less time there will be to make any type of edit.

Tracy Mabry: I think you've answered my question. You have to have any issues worked out by March 30 and there will be no opportunity to do that afterwards, is that correct?

Tricia Rodgers: Once your application is started through the review process, the earlier it is started the longer we'll have to work through these issues. Thank you.

Operator: And your next question comes from the line of James Dark.

James Dark: What is going to – how is this going to impact the patient and the beneficiary?

Tricia Rodgers: The Medicare Shared Savings Program, or Accountable Care Organizations in general, we hope the goal is that it will – that their physicians will be able to coordinate care, their care better. They'll have, you know, possibly less visits to the doctor's office, less tests, those types of things.

They will be aware of everything going on through their doctor, through the ACO, notifying them about the doctor's participation in an ACO.

James Dark: At this time Medicare requires that deductible at each beginning of each year, how is that going to impact that?

Tricia Rodgers: It still runs under the Fee-For-Service program, and physicians are still paid normal fee for service payment. They will just – if they have a difference between their benchmark and their reconciliation process, they will share in that savings. Thank you.

Leah Nguyen: Thank you.

At this time I would like to remind everyone that this call is being recorded and transcribed. Before asking your question, please state your name and the name of your organization.

In an effort to get to as many of your questions as possible, we ask that you limit your questions to just one.

Operator: Your next question comes from the line of Cathy Von Reuden.

Cathy Von Reuden: Hi, Cathy Von Reuden from Essentia Health. Would you go over the other areas of the contracts that you said the April applicants had, especially the last two regarding describing the percent of savings to different categories and then the descriptions of the four pillars?

Leah Nguyen: Can you just hold on for just a moment?

Cathy Von Reuden: Sure.

Tricia Rodgers: So is your question about kind of the five areas that we wanted to highlight?

Cathy Von Reuden: Yes.

Tricia Rodgers: OK, so on page 17 of the application, there we asked that you provide the ACO's definition for the four patient-centered processes. And for each of the four pillars, you have to demonstrate that you have a process in place to ensure that participants comply with the rules and how they will be held responsible if they're not compliant.

Cathy Von Reuden: OK.

Tricia Rodgers: Thank you for your question.

Cathy Von Reuden: But then what about the other one that you mentioned about describing the percent savings that you would share among different categories? You said it was on page 13?

Tricia Rogers: Yes, on page 13 of the application. It's question 26, in addition to describing how you plan to use any of the Shared Savings payments, please remember to include the percentage of savings you will distribute to each category that you list in the narrative regarding Shared Savings, and all of this is in the application. I just wanted to highlight these specific sections.

Cathy Von Reuden: And so what do you mean by categories?

Tricia Rodgers: For example, sharing the Shared Savings with the providers or using it to get back to the infrastructure of the ACO and those types of things.

Cathy Von Reuden: OK.

Leah Nguyen: Thank you. We need to move on to the next question.

Operator: And your next question comes from the line of Jesse Frierson.

Jesse Frierson: Yes, we had a bit of bad weather in our area and that user ID application did not actually get out until Tuesday the 28th with delivery upon the 29th. Will that have a major impact on our plan?

Tricia Rodgers: You can contact the application mailbox but probably everything is OK, but I would contact them and let them – and see if there are any issues with it. Thank you.

Jesse Frierson: OK.

Operator: And your next question comes from the line of Gulbir Singh.

Gulbir Singh: Hi, I was wondering if – I'm from Middletown Medical – and I was wondering if the – for 2013, means you have the notice of interest – Notice of Intent out, but would there be a – the payment for the Advance Payment scheme is also there, or just the ACO application and – would be there?

Maria Alexander: This is Maria Alexander from the Innovation Center. The Advance Payment Model is only available to ACOs participating in the Shared Savings Programs starting in April of 2012 or July of 2012.

Gulbir Singh: OK.

Maria Alexander: So the January 2013 application process will only be for the Shared Savings Program, not for the Advance Payment Model.

Gulbir Singh: So there won't be another Advance Payment Model?

Maria Alexander: Right.

Gulbir Singh: And that's final, or do you or you are still deliberating?

Maria Alexander: I'm sorry?

Gulbir Singh: It's – that's final, then this Advance Payment Model was just for this year?

Maria Alexander: So the Innovation Center – the CMS Innovation Center's authority is to test out different models and if they are – if we find that they are effective in improving quality and lowering cost, then the secretary does have the authority to scale those up, but this is a model that we're testing and at this point we are only testing it for April and July of 2012.

Leah Nguyen: Thank you.

Holley, how many questions do we currently have in queue?

Operator: Right now we do have 17 questions in queue.

Leah Nguyen: OK. As the moderator, it's my job to keep the call moving and to take as many questions as possible. I'm going to have to request that everyone in the queue only ask one question and be as brief as possible.

Thank you. We'll take the next question.

Operator: Your next question comes from the line of Tom Krischbaum.

Tom Krischbaum: Hello. Tom Krischbaum from the Dean Clinic, St. Mary's Hospital, ACO. Had a question – specific question in section A of the application on page nine, under jointly negotiated contract. I'm having a problem, maybe it's just me, understanding the question. It seems like it talks about has the ACO signed or joined and negotiating any contract with private payers, or does the ACO comprise only the same or a subset of the same providers that signed or jointly negotiated?

In the first part of that will be, "No" for us, the second part could be "Yes." I'm trying to figure out how I answer a yes or no question or so.

Terri Postma: Hi. This is Terri Postma with the – with the Shared Savings Program and we apologize for – if this question is hard to understand. Not being an anti-trust agency or lawyers ourselves, we are going to go back to our friends in the anti-trust agencies to clarify.

But my current understanding of what this question means is that what we're – what we're asking is for the ACO to tell us whether or not the ACO, the applicant has, has previously negotiated contracts for the ACO and its providers and participants – or its participants and/or a subset of its participants prior to March 23, 2010. But we're going to get some clarity on that for you.

Tom Krischbaum: OK. Very good. And if ...

Operator: Your next question comes from the line of Vipul Mankad.

Vipul Mankad: Yes. This is Dr. Mankad from Qualitas Healthcare Solution. My question is that if an ACO wishes to engage in a management service contract or some

other external assistance, is there any guidance about the key features that must be present in the management service agreement?

Tricia Rodgers: That's a good question, thank you. We are in the process of issuing guidance right now. It will probably – in the next couple of weeks, we'll have more information out about that and that should – that should help you. Thank you.

Operator: And your next question comes from the line of Kelly Conroy.

Kelly Conroy: Hi. Kelly Conroy from Palm Beach Accountable Care Organization. We have an issue where we have single specialty groups, say, an orthopedic group, and only two out of the 13 doctors want to join.

This is not a group that does any primary care services. So we're aware that primary care service groups are all or none, but we just can't figure out if these specialty groups, all doctors have to be in or none can be in.

Tricia Rodgers: So, thank you for that question. The answer is that if you put a TIN on a participants list, all providers that bill under that TIN will be considered for assignment purposes, regardless of their specialty.

Kelly Conroy: We understand – we understand that, but they're not, you know, they're not assigned to patients because they're not primary, so if the whole group then does not mean the group has to have an internal document between themselves and just the two doctors that want to participate?

Terri Postma: This is Terri. As Tricia mentioned, when an ACO applicant has made an agreement with an ACO participant, which is the practice billing TIN, that agreement must ensure compliance with the program requirements and it must– also, ACO participant is bringing with it any provider supplier that bills through its practice TIN, and they must also be in agreement to participate.

So it's sort of an all or none in that perspective. With regard to your question about the primary care services, please take a look at the regulations and our list of primary care services as we define them.

They're largely a group of outpatient billing codes. So it – in our two-step methodology for assignment of beneficiaries, it's first on the – plurality of primary care services as we define them in the regulation by allowed charges, provided by primary care physicians as designated by four types, including internal medicine, family practice, et cetera.

The second step, however, takes into account any primary care services billed by specialists. So take a look and ask the practice TINs if they bill for any of those specific codes and then you'll be able to determine whether or not the possibility of assignment to those beneficiaries – or for those beneficiaries exists.

Leah Nguyen: Thank you.

Kelly Conroy: Thank you.

Operator: And your next question comes from the line of Lou Galterio.

Lou Galterio: Yes. Lou Galterio, ACO networks. I'm sort of – this is a continuation of a question asked earlier by a gentleman and I want to make sure I'm 100 percent clear with that.

We are working with a rural Advance Payment Model where the number of beneficiaries is probably less than 5,000, which is that number people you hear about all the time—that is the key number for an ACO to be successful.

However, we can reach that number if we include some of the winter residents, snow birds, people from other states. However, our understanding is that we can only sign up beneficiaries who have a zip code, they have residence. Their place of residence is here.

But if you just look at here, you don't have enough people. Can you expand on that? Or should I just maybe direct me where I could look more to understand how we can make that work with the 5,000?

Tricia Rodgers: So, I would encourage you to visit our website where we have a lot of information on our assignment methodology, and that will give you more information on how we use the TINs to assign beneficiaries.

Leah Nguyen: And, that address is www.cms.gov/sharedsavingsprogram.

Lou Galterio: Thank you.

Tricia Rodgers: Thank you.

Operator: Your next question comes from the line of Debra Zona.

Debra Zona: Hi. Deb Zona, Altaventiv ACO. I have gone through the whole process because I was going to start on the April 1st start date. So I've – I went to the process for the Shared Savings and for the Advance Payment and we found out we did not enough beneficiaries, so I want to get into the July 1st start date. Do I need to go through everything from scratch again?

Tricia Rodgers: You do not need to request another Notice of Intent or submit another Notice of Intent, if you have not already done so, please notify the ACO application mailbox that you want to change your start date from April to July.

But then you will need to fill out the application again. You can use the same information you used before and you would need – after you withdraw from the April, you would need to fill out the application again for July during this March 1st through March 30th timeframe and go through the process that way.

Debra Zona: So the application site will be reset because I just went into it today and it still says I'm in for the April 1st. I did submit my notice to withdraw yesterday, so ...

Tricia Rodgers: OK. Yes, it will ...

Debra Zona: Maybe it should take ...

Tricia Rodgers: It will – it will be updated and – as soon as it is and then it'll be reset for you.

Debra Zona: OK. And I also need to notify the Advance Payment?

Maria Alexander: That's right, Deb. You can email the Advance Payment inbox and we'll give you instructions on how to apply for July.

Debra Zona: Great. Thank you.

Operator: Your next question comes from the line of Tom Samiels.

Tom Samiels: My name is Tom Samiels of the Association of Primary Care Physicians. I was – we're getting a lot of resistance from independent physicians wanting to share their income levels off their tax returns.

Is there – give any thought to just retrieving that information from the IRS based on their TINs that they submit?

Maria Alexander: And you're asking about this in terms of the Advance Payment application?

Tom Samiels: Yes, yes.

Maria Alexander: Unfortunately, it's not – it's not something that we can waive. That is a fundamental requirement of the application. And if you want further clarification on that, definitely email us and we're – we're happy to explain that more.

Tom Samiels: OK.

Operator: And, your next question comes from the line of Webb Burns.

Webb Burns: Hi. Webb Burns, Carilion Clinic. The question I have is, are you limiting in any fashion the number of approved ACOs by geography? So we're – if an application is technically correct, do you have any criteria out there that would limit the number of ACOs just based on where they are?

Tricia Rodgers: No, we do not. For the Medicare Shared Savings Program, we do not limit based on geography. Thanks.

Webb Burns: Thanks.

- Operator: Your next question comes from the line of Kurt Zecchin.
- Kurt Zecchin: My question has been answered. Thank you.
- Operator: Your next question comes from the line of Chris Darling.
- Chris Darling: Chris Darling with Commonwealth Health Alliance. In the Advance Payment ACO for repayment, will the repayment come from the ACO entity only, or will that include the individuals or entities that are attached to that as far as capturing repayment?
- Maria Alexander: Hi, Chris. This is Maria Alexander. The recoupment of Advance Payments will depend on the ACO's success in the Shared Savings Program. So, ACOs that do not earn sufficient Shared Savings to pay back the Advance Payments would not owe those back.
- In terms of ACOs that do owe that money back, the specific, you know, operational aspects of how we would recoup those is a little bit more complicated, so if you can email that question to us, we're happy to work through that with you.
- Chris Darling: Great. Thank you.
- Operator: Your next question comes from the line of Terri Thompson.
- Leah Nguyen: Can we take the next question please?
- Operator: That question has been withdrawn. Your next question comes from the line of Jackie Forbes.
- Rick Suzenack: Yes. This is Rick Suzenack from SLUCare. Right now, we just have medical homes set up and I was wanting to know if there is going to be patients led to – Medicare patients led to the ACO and – or do you have any programs for medical home models?
- Tricia Rodgers: Maria, do you want to speak to the Innovation Center Initiative?

Maria Alexander: Sure. You can find out more about Innovation Center Initiatives on our website which is innovations@cms.gov. In particular, you might be interested in the comprehensive primary care initiative which is a medical home type of model and that's explained on our website.

Rick Suzenack: And will patients be led – Medicare patients – be led to an ACO versus anybody else?

Maria Alexander: I'm not – I'm not sure I understand your question. Each program has a different attribution methodology. And so it would depend on a specific program.

Leah Nguyen: Thank you.

Operator: And your next question comes from the line of Laurice Rutledge.

Laurice Rutledge: Hi. Laurice Rutledge, McKenna Long and Aldridge. I wanted to know if, when you are doing the Advance Payment Model calculations, if funding to an entity that receives federal grants counts as revenue?

Maria Alexander: I believe that it would. We're looking at all revenues that the ACO participants receive.

Laurice Rutledge: OK.

Maria Alexander: I can double check on that for you if you want to email us the specifics. But...

Laurice Rutledge: Sure.

Maria Alexander: ... any revenue that ACO participants are receiving should be included.

Laurice Rutledge: OK. Thank you very much.

Operator: And your next question comes from the line of Adrienne Williams.

Adrienne Williams: Hi. This is Adrienne Williams with Rice Health. I was curious to know, can doctors be added to the roster at any time?

Terri Postma: Hi. This is Terri. In the final rule, we talked about – we recognized that there may be changes in the ACO's composition over time and we wanted to free the mechanism for that to occur.

And so what it says in the rule is that the ACO may add or subtract ACO participants and/or ACO providers and suppliers over the course of the three-year agreement. But they must notify us of these changes within 30 days.

Additionally, the ACO will be required to update their ACO participant and ACO provider and supplier lists on a yearly basis. We're going to have – we're working on guidance that details what these changes mean for the ACO during the – or could mean for the ACO during the course of the three-year agreement.

Leah Nguyen: Thank you.

Adrienne Williams: Thank you.

Operator: Your next question comes from the line of Michael Marnhout.

Michael Marnhout: This is Mike – excuse me – this is Michael Marnhout with Bluegrass Oxygen, and my question is, we cover a very large geographic area in our state. Are we allowed to be involved in more than one ACO with another entity?

Terri Postma: This is Terri again. If – what kind of – are you a Medicare enrolled provider, supplier, are you an oxygen company?

Michael Marnhout: Yes, durable medical equipment.

Terri Postma: OK. You – and you bill Medicare directly for services?

Michael Marnhout: Yes, ma'am.

Terri Postma: OK. So you – sounds like you would meet the definition of an ACO participant – the company would. And as long as you're not billing for any of those primary care service codes as we defined them in the rule you would –

your – that ACO participant is – it is OK for you to participate in more than one Shared Savings Program ACO.

I want to be clear that any – because of the way the law was written, it says that any provider, supplier that's already participating in another Medicare initiative involving Shared Savings cannot participate in the Shared Savings Program.

So just to make that distinction, it's two separate issues. One is that the ACO participants that are submitted can't be participating in another Medicare initiative involving Shared Savings, for example, Pioneer or demonstration, et cetera.

However, if you applied to the Shared Savings Program and your ACO participant TIN is not used or billing for those primary care services as defined in the regulations, then that ACO participant may participate in more than one Medicare Shared Savings Program ACO.

Michael Marnhout: Excellent. All right. Thank you very much. I appreciate it. Sorry.

Operator: And your next question comes from the line of Barbara Newton.

Barbara Newton: Hi. This is Barbara Newton with the Association of Primary Care Physicians. I wanted to ask about the Advance Payment Model and the question on geography – limited by geography, the number – in other words is there going to be a limit by state that there's only going to be one per state or...?

Maria Alexander: No. So the way that we're making selections for the – for the Advance Payment Model is outlined in our solicitation which has the scoring rubric. Basically all applicants – all eligible applicants will be scored based on that. And you can – you can reference that rubric on our website.

And then there's a limited amount of funding. So we have \$170 million available for Advance Payment for the April start date and the July start date combined. Sixty percent of those will be – are available for the April start date and – but any amount not used for April will be rolled over to July. But we're not using geography as a – as a criteria.

Barbara Newton: OK.

Operator: At this time, there are no further questions.

Leah Nguyen: I would like to thank everyone for participating in the Medicare Shared Savings Program and Advance Payment Model Application Process National Provider Call. On slide 38, you'll find information and a URL to evaluate your experience with today's National Provider Call.

Evaluations are anonymous and strictly confidential. All registrants for today's call will also receive an email from the CMS National Provider Call's resource box within two business days regarding the opportunity to evaluate this call. You may disregard this email if you have already completed the evaluation. We appreciate your feedback.

An audio recording and written transcript of today's call will be posted soon to the National Provider Calls and events section of the Fee-For-Service National Provider Call's webpage at www.cms.gov/npc.

Again, my name is Leah Nguyen and it has been my pleasure serving as your moderator today. I would also like to thank our presenters, Tricia Rodgers, Maria Alexander, and Dr. Terri Postma. Have a great day, everyone.

Operator: Thank you for participating in today's call. You may now disconnect.

END