



Next Generation Accountable Care Organization (NGACO) – All Inclusive Population Based Payment (AIPBP) Implementation

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Note: This article was revised on August 24, 2018, to provide a link to [MM10824](#) which (based on CR 10824) provides instruction on implementing one new Benefit Enhancement for program year three of the NGACO Model. All other information is unchanged.

PROVIDER TYPES AFFECTED

This MLN Matters Article is intended for physicians, hospitals, and other providers who are participating in Next Generation Accountable Care Organization (NGACO) Model and submitting claims to Medicare Administrative Contractors (MACs) under the All-Inclusive Population Based Payment (AIPBP) alternate payment mechanism for certain services for Medicare beneficiaries.

PROVIDER ACTION NEEDED

Special Edition (SE) article SE17011 reminds providers of the implementation of the AIPBP payment mechanism for participating ACOs.

BACKGROUND

The NGACO Model offers ACOs the option to participate in a payment mechanism called AIPBP under which the ACO takes on responsibility for entering into payment arrangements with its providers and paying claims, in place of claims being paid by Medicare's Fee-For-Service (FFS) systems. The goal of AIPBP is to establish a monthly cash flow for AIPBP-participating ACOs and a mechanism for ACOs to enter payment arrangements with Next Generation Participants and Preferred Providers. Conceptually, AIPBP builds on population-based payments (PBP) in the Pioneer ACO Model and available in the NGACO Model, but enables even greater flexibility in establishing payment relationships between the ACO and its providers.

Under AIPBP, participating ACOs will receive a monthly lump-sum payment outside of the FFS

system and be responsible for paying Next Generation Participants and Preferred Providers with whom they have entered into written AIPBP Payment Arrangement agreements. The monthly payment will be based on an estimation of the care that will be provided to aligned beneficiaries in the performance year by AIPBP-participating providers.

Reconciliation will occur following the performance year to true up the monthly payments (based on estimation) versus what AIPBP-participating providers would have been paid under FFS.

All participating providers will continue to submit FFS claims to CMS, which will fully adjudicate the claims, but will not make payment to providers who have agreed to participate in AIPBP except for add-on payments for inpatient hospitals (specifically operating outlier payments, operating disproportionate share hospital [DSH] payments, operating indirect medical education [IME] payments, Medicare new technology payments, and Islet isolation cell transplantation payments.).

ACOs had an annual election to participate in AIPBP from among three alternate payment mechanisms in 2017; the ACO's Providers/Suppliers and Preferred Providers will agree to participate on a provider-by-provider basis (that is, not all Providers/Suppliers, or Preferred Providers will have claims reduced up to 100 percent). All AIPBP-participating providers will receive a 100-percent reduction to their claims if they see an aligned beneficiary, unless that aligned beneficiary has opted out of medical claims data sharing with the ACO or if the claim is for substance abuse-related services. If an AIPBP-participating provider sees a beneficiary not aligned to an ACO, they would not receive the reduction.

Providers who do not have an AIPBP Payment Arrangement with an ACO, whether in the ACO or not, will continue to receive normal FFS reimbursements for all the beneficiaries they treat, including aligned beneficiaries. Medicare systems will continue to view providers and beneficiaries as being FFS.

As mentioned, providers continue to submit all FFS claims to CMS, which will make coverage and liability determinations and assess beneficiary liability. Beneficiary liabilities will be calculated based on what Medicare would have paid in absence of AIPBP, and Medicare Summary Notices (MSNs) should reflect the amount that would have been paid (as is currently done for PBP). Similarly, Medicare will continue to send remittance notices to AIPBP-participating providers (just as they would receive remittance notices if not participating in AIPBP).

ADDITIONAL INFORMATION

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
August 24, 2018	The article was revised to provide a link to MM10824 which (based on CR 10824) provides instruction on implementing one new Benefit Enhancement for program year three of the NGACO Model.
March 27, 2018	This article was revised to provide a link to MM10044 . MM10044 is based on CR1044 which provides instruction to MACs to implement two new benefit enhancements for performance year three (CY 2018) of the NGACO Model. A link to SE1613 was also added. SE1613 provides information on the NGACO Model's benefit enhancement waiver initiatives and supplemental claims processing direction.
April 20, 2017	Initial article release.

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