MLN Connects®

National Provider Call Transcript

Centers for Medicare & Medicaid Services
Medicare Shared Savings Program ACO:
Preparing to Apply for the 2018 Program Year Call
MLN Connects National Provider Call
Moderator: Leah Nguyen
April 6, 2017
1:30 pm ET

Contents

Operator: At this time, I would like to welcome everyone to today's MLN Connects® 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.

I will now turn the call over to Leah Nguyen. Thank you, you may begin.

Announcements and Introduction

Leah Nguyen: I am Leah Nguyen from the Provider Communications Group here at CMS, and I am your moderator today. I would like to welcome you to this MLN Connects Call on the Medicare Shared Savings Program: Preparing to Apply for the 2018 Program Year. MLN Connects Calls are part of the Medicare Learning Network®.

During this call, find out how to prepare to apply for the January 1, 2018, program start date, including the Medicare Accountable Care Organization Track 1+ model and Skilled Nursing Facility 3-Day Rule Waiver. A question-and-answer session follows the presentation. Before we get started, I have a couple of announcements.

You should have received a link to the presentation for today's call in previous registration emails. If you have not already done so, please view or download the presentation from the following URL – go.cms.gov/npc. Again, that URL is go.cms.gov/npc.

Second, this call is being recorded and transcribed. An audio recording and written transcript will be posted to the MLN Connects Call website. At this time, I would like to introduce our first presenter, Ben Dellva from LMI. I'll now turn the call over to Ben.

Presentation

Ben Dellva: Thank you, Leah.

We will begin on slide 5, the agenda for today's call.

In this session, we will introduce the Medicare Shared Savings Program. We will talk about what it takes to be an Accountable Care Organization, or ACO, in the Shared Savings Program. We'll discuss how participation options and additional program considerations. And, finally, we'll cover how new ACOs can successfully apply for a January 1, 2018, program start date.

Introduction to the Medicare Shared Savings Program

Let's begin. Slide 6.

Welcome to this call for the 2018 application cycle for the Shared Savings Program. My name is Ben Dellva, and I support the Shared Savings Program operations. First of all, thank you for your interest in the Shared Savings Program and for joining today's call. We'll be going over information to prepare ACOs for the application cycle for the upcoming 2018 program performance year. Before we discuss the application process, it's imperative that we provide an overview of the program and describe what Medicare means by an Accountable Care Organization.

Slide 7. The Shared Savings Program is an incentive program for Medicare Fee-for-Service providers to demonstrate that they can improve the quality and efficiency of care delivered to their Fee-for-Service population. Its goal is to meet the triple aim of better care for individuals, better health for populations, and lowering growth in overall health care expenditures.

The program seeks to achieve this aim through 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.

The Shared Savings Program is a voluntary program that provides an opportunity for providers to join together in ACOs. Participating providers and suppliers in the ACO continue to bill for and receive Fee-for-Service payments as they normally do. But at the end of each year, CMS evaluates the ACO's quality and efficiency.

If the ACO as a whole has met the quality performance standards and has reduced the growth in per capita cost for its Fee-for-Service population, the ACO will be eligible to receive a lump-sum portion of the savings it generated for Medicare. In turn, the ACO may allocate those savings to improve its infrastructure and reward participating providers.

When applying to participate in a Shared Savings Program, ACOs may choose to enter one of three tracks known as Track 1, Track 2, and Track 3. Starting this year, ACOs also have an option of applying to the new Medicare ACO Track 1+ model, which I'll call the Track 1+ model for the remainder of the call. These tracks offer different risk

arrangements that determine the amount of savings the ACO may be eligible to receive or the amount of losses the ACO may be liable for. To learn more about ACOs, please click the Shared Savings Program link in the first bullet of this slide.

We are now on slide 8. Before going into details of the program participation, I would like to review some key terms as defined in the Shared Savings Program regulations. These are critical to understanding the Shared Savings Program policies.

First, an Accountable Care Organization or ACO means a legal entity that is recognized and authorized under applicable State, Federal or Tribal law, is identified by a taxpayer identification number, or TIN, and is formed by one or more ACO participants that are defined at 425.102(a) and may include any other ACO participants described at 425.102(b).

Next, an ACO participant means an entity identified by a Medicare-enrolled billing TIN through which one or more ACO providers or ACO suppliers bill Medicare. That alone or together with one or more other ACO participants compose an ACO, and that is included on the list of ACO participants that is required under 425.118.

We are now on slide 9. An ACO provider or ACO supplier means an individual or entity that meets the following definition – a provider or – as defined at 400.202, or supplier, defined at 400.202 as well, and is enrolled in Medicare. In contrast, an ACO professional is an individual who is Medicare-enrolled and bills for items and services furnished to Medicare Fee-for-Service beneficiaries under a Medicare billing number assigned to the TIN of an ACO participant in accordance with applicable Medicare regulations and who is either one of the following: a physician legally authorized to practice medicine and surgery by the State in which he or she performs such function or action or a practitioner who is one of the following: a physician assistant, a nurse practitioner, or a clinical nurse specialist.

It is very important to understand the difference between ACO participants and ACO providers/suppliers and ACO professionals. A lack of understanding can negatively impact the ACO's ability to complete required documentation and may lead to denial of your application. For example, the application requires applicants to submit the list of ACO participants and to submit the agreement the ACO has with each participant. That means the ACO must have an executed agreement between the ACO legal business

entity and the ACO participant legal business entity, not individual practitioners or ACO providers/suppliers.

We are now on slide 10, which describes the cohort names CMS will use when discussing applications to the Shared Savings Program. It is important for your ACO to understand which cohort it belongs to so that you know which application process to apply to. CMS tailors its webinars to each of these specific cohorts for each application.

The term Currently Participating ACOs refers to ACOs that are currently participating in the Shared Savings Program and who are not eligible to renew their participation agreement but may be eligible to apply to the Track 1+ model or for a Skilled Nursing Facility, or SNF, 3-Day Rule Waiver. I will discuss those items later in the call.

Initial Applicants are ACOs that are not currently participating in the Shared Savings Program. Renewal Applicants refers to ACOs that are currently participating in the Shared Savings Program with a 2015 program start date and intend to renew their Shared Savings Program participation agreement with CMS. SNF 3-Day Rule Waiver Applicants are ACOs applying for the SNF 3-Day Rule Waiver, which are available to Initial, Currently Participating, and Renewal Track 3 applicants, Track 1+ model applicants, and ACOs that renewed their participation agreement in 2017 and deferred their entrance into Track 3 for 1 year and are eligible to apply for the waiver.

Medicare ACO Track 1+ Model Applicants are ACOs currently participating in or applying to the Shared Savings Program under Track 1 and applying for the Track 1+ model. These are important terms to learn and remember because they are used frequently in Shared Savings Program guidance and in webinar presentations and will be important to successfully completing an application for a 2018 start date.

Slide 11 shows the vision – shows the vision that CMS has for ACOs participating in the Shared Savings Program. We believe that ACOs should demonstrate patient-centeredness to ensure seamless, coordinated care, smooth care transitions, proactive care management, and the promotion of better health, better care, and lower growth in costs. Being part of an ACO should not only help use resources efficiently but also help develop a team-based workforce and mission.

We are now on slide 12. As of January 1, 2017, there were 480 ACOs participating in the Shared Savings Program. Together, these ACOs serve over 9 million Medicare Fee-for-Service beneficiaries in 50 states, the District of Columbia and Puerto Rico. This also includes over 240,000 participating physicians.

We also have an increase for this year in ACOs who are taking on performance-based risk, with 42 ACOs participating under a two-sided risk model either in Track 2 or Track 3. And new to the 2017 program year, there are now 26 Track 3 ACOs approved to use the SNF 3-Day Rule Waiver, which serves over 767,000 prospectively assigned beneficiaries.

Program Requirements

The next few slides introduce the requirements for participating in the Shared Savings Program.

We are now on slide 14, which lists the eligibility criteria and other requirements ACOs should consider before applying to the Shared Savings Program. After we briefly discuss each of these items, a representative of the Department of Justice will present the section on antitrust issues.

Slide 15 details eligibility requirements that an ACO must meet before they can apply to the Shared Savings Program.

First, the ACO must agree to participate for at least a 3-year period. If CMS determines through the application process that the ACO meets the requirements for participation, your ACO will be offered the opportunity to sign a 3-year agreement beginning January 1st, 2018, and ending December 31st, 2020.

The ACO will be evaluated after each calendar year to determine whether it qualifies to share in savings for that year. Please note certain Track 1 ACOs may extend their participation in the program for a fourth year if they commit to move to a two-sided risk model for the following agreement period.

Second, the ACO must be a legal entity formed under State, Federal or Tribal law. Third, the ACO may have a mechanism for shared governance as well as a leadership and management structure. Fourth, the ACO must have a formal legal structure to receive

and distribute payments. And, fifth, the ACO must have at least 5,000 beneficiaries assigned to it in each of its three benchmark years.

Slide 16 lists several other eligibility criteria ACOs must meet such as: your ACO must define processes and demonstrate that it meets patient-centeredness criteria. As part of your application, the ACO must submit narratives describing the processes your ACO is developing and will be implementing starting January 1st, 2018. The narratives must describe your ACO's processes to promote evidence-based medicine and patient engagement, report internally on quality and costs, and coordinate patient care.

Your ACO must also submit a list of ACO participants as part of your application. Each ACO participant on the list must have a signed ACO Participant Agreement. You will also be required to submit a list of ACO providers/suppliers that are billing through the TIN of the ACO participants you put on the ACO participant list. Throughout your agreement period, you will be required to maintain and update these lists. For all eligibility requirements, please see 42 CFR 425.

We are now on slide 17. On this slide, we have provided links to three important documents that ACOs should review before applying to the Shared Savings Program. As part of a coordinated, intra-agency effort, we work with several Federal partners when developing the Shared Savings Program rules. These partners include the Federal Trade Commission and the Department of Justice, the IRS, and the Office of Inspector General.

I will now turn it back to Leah.

Keypad Polling

Leah Nguyen: Thank you, Ben.

At this time, we will pause for a few minutes to complete keypad polling.

Maria, we're ready to start polling.

Operator: CMS appreciates that you minimize the Government's teleconference expense by listening to these calls together using one phone line. 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. 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.

Please continue to hold while we complete the polling.

Thank you for your participation.

Leah Nguyen: Thank you, Maria.

I would like to introduce our next presenter, Patrick Coleman from the U.S. Department of Justice.

Presentation (Continued)

Patrick Coleman: Thanks, Leah.

I have to start with the disclaimer that the views I express today do not necessarily reflect those of the United States Department of Justice. And I want to note that my colleague Rob Canterman from the Federal Trade Commission is on the telephone line as well. The Department of Justice and the Federal Trade Commission, which I'll refer to collectively as the antitrust agencies, work in tandem to enforce the antitrust laws. Today, I'm hoping to provide a very quick overview of the antitrust laws and to direct you to further guidance.

Antitrust and ACOs

Turning to slide 19. My first and my key point is that participation in the Medicare Shared Savings Program does not confer antitrust immunity. So you should be alert for any potential antitrust issues as you form and operate your ACOs. The antitrust agencies recognize that many ACOs do not raise any antitrust issues and benefit patients by lowering costs or improving the quality of care. However, under certain circumstances, antitrust issues may arise for an ACO.

Turning to slide 20. Slide 20 shows three areas that might give rise to antitrust concerns. The first area is price fixing. Agreements on price among competing providers are

automatically illegal if they are not part of a legitimate joint venture. However, an ACO involving competing providers that participates in the Medicare Shared Savings Program and uses the same governance and leadership structures and the same clinical and administrative processes to serve patients in commercial markets – the antitrust agencies will evaluate that ACO on a case-by-case basis. This approach is described – is commonly referred to as the rule of reason. And I also want to note that the sharing of competitively sensitive information regarding services outside of the ACO should be avoided.

A second area is monopolization, which means that an ACO with monopoly power, a dominant provider, undertakes anticompetitive acts to create or preserve that monopoly power. A third area is mergers. If a provider acquires a competing provider, that transaction is subject to antitrust scrutiny. While providers may form an ACO via merger, however, neither the Affordable Care Act nor regulations require that approach.

Turning to slide 21. The antitrust agencies have issued a policy statement that provides guidance for participants in the Medicare Shared Savings Program. This guidance applies to collaborations among independent providers. Any mergers would be analyzed under the separate guidelines that the antitrust agencies have promulgated for mergers generally.

As I mentioned earlier, the policies – the policy statement states that the rule of reason approach applies to ACOs that use the same governance, leadership, clinical, and administrative processes for the Medicare Shared Savings Program and for commercial business. The statement creates a safety zone for ACOs that have low market shares. This means that absent extraordinary circumstances, the antitrust agencies will not challenge an ACO in the safety zone. Importantly, being outside of the safety is not by itself – it does not by itself raise a red flag. Rather, it just means that additional analysis is required to rule out the possibility of antitrust issues.

The statement also provides guidance for ACOs outside of the safety zone, including a list of practices that ACOs may wish to avoid. Finally, the statement establishes a voluntary review process whereby newly formed ACOs can get the antitrust agencies' view on whether the ACO would likely raise antitrust concerns.

This has been a very quick survey, but we do have guidance available for you. The policy statement and other materials are available through a link on slide 21. The websites also have an email box where you can send any questions regarding the policy statement. Rob and I will be happy to answer any questions at the end of the presentation.

And, I think, now I'll turn things back to Ben.

Participation Options

Ben Dellva: Thank you, Patrick. In this next section, we will discuss the different participation options available to ACOs. We're on slide 23, which shows participation options in the Shared Savings Program.

To participate, ACOs apply to one of the following three tracks. Track 1 is a one-sided risk model, meaning that ACOs share in savings only and are not liable to pay back losses they may incur. Renewing Track 1 ACOs may apply to continue their first agreement for a fourth year prior to transitioning to a two-sided risk model. If Track 1 ACOs would like to continue to a new 3-year agreement, this is the only available – this is only available as a one-time renewal. Track 1 ACOs are also eligible to apply to the Track 1+ model.

Track 2 is a two-sided risk model where ACOs share in savings and losses. Additionally, Track 3 is also a two-sided risk model where ACOs share in savings and losses. Track 3 ACOs, however, may also apply for a SNF 3-Day Rule Waiver.

The Track 1+ model is a new option for the 2018 program year. This application is available for eligible Track 1 ACOs. Track 1+ is a two-sided risk model which ACOs share in both savings and losses, and we will discuss the Track 1+ model in the next few slides.

A SNF 3-Day Rule Waiver is available to ACOs applying for participation in the Track 1+ model or Track 3, currently participating Track 3 ACOs, and currently participating ACOs who deferred their participation in Track 3 by 1 year.

During this next section, we will discuss background information and eligibility requirements for the Track 1+ model.

Slide 25 provides background information on the Track 1+ model. This model is a CMS Innovation Center model designed based on feedback from stakeholders for options to facilitate ACOs' transition to performance-based risk. A potentially lower level of risk is

available to qualifying physician-only ACOs and/or ACOs that include small rural hospitals. The model is based on the Shared Savings Program Track 1 but has a payment design that incorporates more limited downside risks compared to Tracks 2 and 3, as well as elements of Track 3 to help ACOs better coordinate care.

As I previously mentioned, the Track 1+ model will be available to eligible new Track 1 ACOs, renewing Track 1 ACOs, and Track 1 ACOs within their current agreement period. ACOs may apply to enter the Track 1+ model as part of the 2018, 2019, or 2020 Shared Savings Program application cycles. In general, this means that the model application timeline will be consistent with the annual application timeline for the Shared Savings Program.

The Track 1+ model expands opportunities for clinicians to participate in advanced alternative payment models under the Quality Payment Program. This means that eligible clinicians and ACOs participating in the Track 1+ model will have the opportunity to earn the advanced APM incentive payment.

We are now on slide 26. ACOs currently participating in or applying to Track 1 are eligible to apply to the Track 1+ model. For the 2018 application cycle, this includes Track 1 ACOs within their current agreement period that started or renewed in 2016 or 2017. Track 1 ACOs with a 2015 start date renewing their participation agreement under Track 1 are also eligible to apply for the Track 1+ model, as are new applicants to Track 1 for the 2018 start date.

We're now moving on to slide 27. ACOs ineligible for Track 1+ model participation are: an ACO legal entity that is owned or operated in whole or in part by a health plan; an ACO legal entity that is currently or previously participated in a performance-based risk Medicare ACO initiative, which includes the Shared Savings Program Tracks 2 and 3 and the Pioneer and Next-Generation ACO models.

Also ineligible is an ACO with 40 percent or more of its participants that had participation agreements with an ACO that was participating in a performance-based risk Medicare ACO initiative in the most recent prior performance year. And, finally, an ACO that renewed for a second agreement period under Track 2 or Track 3 under the 1-year deferral option is ineligible for the model.

That is because these ACOs agreed to enter performance-based risk and were granted an extension of their first agreement period to facilitate this transition. Also, ACOs may not use the deferral renewal option to defer transition from Track 1 to the Track 1+ model.

If you would like more information on Track 1+, please see the resources section at the conclusion of this presentation. In particular, we would encourage you to review the detailed factsheet on the Track 1+ model and listen to a recording of a webinar on the model hosted by CMS on March 22, 2017.

In the next section, we will discuss the Skilled Nursing Facility, or SNF, 3-Day Rule Waiver.

Slide 29 offers background on the SNF 3-Day Rule Waiver. The Medicare SNF benefit is designed for beneficiaries who typically require a short-term intensive stay in a skilled nursing or skilled rehabilitation care facility.

Typically, beneficiaries must have a prior inpatient hospital stay of no fewer than 3 consecutive days to be eligible for Medicare coverage of inpatient SNF care.

However, in some cases it may be medically appropriate for some patients to receive skilled nursing care and/or rehabilitation services provided at the SNF without prior hospitalization or an inpatient hospital length of stay of less than 3 days. Shared Savings Program Track 3 and Track 1+ model ACOs can use a waiver in these circumstances if pre-approved by CMS.

The waiver permits Medicare payment for otherwise covered SNF services when ACO providers or suppliers who are physicians approve for admission a qualifying beneficiary to a SNF affiliate or skilled nursing and/or rehabilitation care without a 3-Day prior inpatient hospitalization.

The SNF 3-Day Rule Waiver application must be submitted separately from the Shared Savings Program application. CMS evaluates both the Shared Savings Program and the SNF 3-Day Rule Waiver application during the same time period.

This waiver was promulgated in the June 2015 final rule and became effective for approved SNF 3-Day Rule Waiver applicants in 2017. We've provided a link to the regulations at the bottom of the slide.

We are now on slide 30. As I previously mentioned, the SNF 3-Day Rule Waiver waives the requirement for a 3-Day inpatient hospital stay prior to a Medicare-covered post-hospital extended care service for eligible beneficiaries and an approved SNF affiliate facility. The waiver providers approved ACOs with additional flexibility to increase quality and decrease cost. The SNF 3-Day Rule Waiver does not create a new benefit or expand Medicare SNF coverage. It does not change the SNF benefit, and it does not restrict the beneficiary's choice of providers or suppliers.

Slide 31 provides information on which ACOs are eligible to apply for a SNF 3-Day Rule Waiver and which beneficiaries are eligible to receive the SNF 3-Day Rule Waiver.

Beneficiaries eligible for SNF admission under the terms of the waiver will include only Medicare beneficiaries who meet the following requirements: prospectively assigned to a Shared Savings Program Track 3 or Track 1+ model ACO, do not reside in a SNF or other long-term care setting, are medically stable, do not require inpatient hospital evaluation or treatment, have a certain and confirmed diagnosis, have an identified skilled nursing or rehabilitation that cannot be provided as an outpatient or home health service. And, finally, have been evaluated and approved for admission to the SNF within 3 days prior to the SNF admission by an ACO provider or supplier who is a physician and validated by the designated person at the SNF affiliate consistent with the ACO's beneficiary evaluation and admission plan.

We're now on slide 32. Only SNFs included on an ACO SNF affiliate list who have agreed to partner with the ACO to implement the SNF 3-Day Rule Waiver and assigned a SNF affiliate agreement are eligible to use the SNF 3-Day Rule Waiver. These SNF affiliates must have a quality rating of three or more stars under the CMS Five-Star Quality Rating System. SNF affiliates may partner with more than one ACO approved to use the SNF 3-Day Rule Waiver. ACOs may reference the SNF 3-Day Rule Waiver guidance available on the Statutes, Regulations, Guidance page of the Shared Savings Program website for more information on the requirements.

Additional Program Considerations

The next section goes into additional program considerations such as financial performance, beneficiary assignment, and the Quality Payment Program.

We are now on slide 34. When selecting which track makes the most sense for your ACO, there are a few key things to consider. One consideration is the appropriate track for your ACO. The methodology for determining financial performance is specified in separate provisions of the Shared Savings Program regulations for each track. The next two slides include a table that highlights the similarities and differences between the three Shared Savings Program tracks as well as the Track 1+ model.

ACOs should also take beneficiary assignment into consideration. The Shared Savings Program track options have different assignment methodologies to determine which beneficiaries CMS considers when calculating an ACO's financial and quality performance and producing informational reports and data files for ACOs.

As summarized in the comparison table on the following side, for Tracks 1 and 2, we use preliminary prospective assignments for reports in generating the quality reporting samples and retrospective assignment for financial reconciliation. For Track 3 and the Track 1+ model, we use prospective assignment for reports generating the quality reporting sample and financial reconciliation. ACOs should also consider how their choice of track impacts participating eligible clinicians under the Quality Payment Program.

In selecting appropriate – the appropriate track for your ACO, we encourage you to understand the characteristics of Track 1, which is the one-sided risk model, and the two-sided risk models, which are Tracks 2, 3, and Track 1+ models.

The first row of the table reiterates the timing of track entry. Please note that once your ACO elects to enter a two-sided model, your ACO must continue under the two-sided model and cannot subsequently enter Track 1. This table also summarizes the assignment methodology. Key features of the program's financial model span this slide and the following slide.

In summary, the table describes different thresholds referred to as the ACO's minimum savings rate, or MSR, and minimum loss rate, or MLR, the ACO must meet or exceed before sharing in savings or losses, respectively.

These thresholds are expressed as a percentage of the ACO's updated historical benchmarks and, once met or exceeded, the ACO will share in savings or losses on a first dollar basis at a sharing rate up to a performance payment limit or loss sharing limit. These limits are also expressed as a percentage of the ACO's updated historical benchmarks.

Slide 36 continues the description of financial model features from the previous slide and also summarizes that only ACOs that will participate in Track 3 and the Track 1+ models are eligible to apply for a SNF 3-Day Rule Waiver.

For more information, we would encourage you to review the program's regulations at 42 CFR Part 425, specifically the provisions for the program's financial models within Subpart G of Part 425. Also, the Shared Savings Program shared losses – sorry – shared savings and losses and assignment methodology specifications, available through the program's website, describe in detail the methodology for assigning beneficiaries to an ACO and determining the ACO's financial performance.

I will now turn the call over to Dr. Terri Postma to cover the Quality Payment Program.

Quality Payment Program

Dr. Terri Postma: Great. Thank you, Ben. During this next section of the call, we're going to talk about the Quality Payment Program, or QPP, and how that relates to the Shared Savings Program and the choice of track.

I'm on slide 38. The – Congress passed the Medicare Access and CHIP Reauthorization Act of 2015, also known as MACRA, which ended the sustainable growth rate formula, or SGR, which threatened physicians participating in Medicare with potential payment cliffs for 13 years. Under MACRA, the Quality Payment Program provides new tools and resources to give patients the best possible care and combines several existing CMS programs, including the Value Modifier, PQRS, and the EHR Incentive Program.

Under the Quality Payment Program, eligible clinicians can participate in two different ways. One is through Advanced Alternative Payment Models or APMs – Advanced APMs – or they participate in the Merit-Based Incentive Payment System, or MIPS, which also includes participation in what are called MIPS APMs or MIPS Alternative Payment Models. Track 1 is a MIPS APM. Tracks 2, 3, and the new Track 1+ model meet criteria for designation as Advanced APMs.

I'm on slide 39. So certain Shared Savings Program tracks, as I just noted, have met criteria to be designated as Advanced APMs. Eligible clinicians that are participating in Advanced APMs and who meet the QP threshold as defined under a QPP are excluded from MIPS assessment. Instead, they'll be eligible for a 5-percent lump sum bonus payment and get a higher Physician Fee Schedule update starting in 2026.

I'm on slide 40. This is a great chart for you to keep with you. This chart explains the reporting and scoring requirements under the QPP. The reporting requirements are reporting requirements for all ACOs and all the clinicians participating in them, regardless of whether they're participating in an Advanced APM or not. So, regardless of chosen track, all ACOs are required to submit quality measures on behalf of the eligible clinicians participating in them. And regardless of track, eligible clinicians participating in the ACO must report data to CMS for the Advancing Care Information category in the way that MIPS sets that up.

The scoring and weights indicated on this chart apply on to eligible clinicians participating in a MIPS APM or in Track 1 or those who don't meet the QP threshold. So, specifically, ECs participating in Track 1, those who don't meet the QP threshold but who are participating in Tracks 2, 3, and the Track 1+ model will be subject to the MIPS scoring that's indicated on this chart. But I want to be sure that this is really, really clear because the reporting requirements are the same regardless of what track is chosen. So, the way that the submitted data is used under QPP is different, however, depending on whether or not the participating practitioners are subject to MIPS.

I'm going to turn the presentation back over to Ben.

Preparing to Submit an Application

Ben Dellva: Thanks, Dr. Postma.

All right. The next section will cover preparing to submit an application to the Shared Savings Program and the Track 1+ model.

We are now on slide 42. CMS suggests that you take steps now to prepare yourself for the application phase. The Shared Savings Program requires ACOs to establish a governing body and obtain signed agreements with participants. Both of these requirements can take a substantial amount of time. In addition, ACOs must submit several detailed narratives explaining how your ACO meets program requirements. CMS strongly encourages ACOs not to wait until July 1st to begin preparing an application.

As discussed earlier, prior to submitting an application, ACOs should establish a legal entity and organizational structure, establish a governance and leadership structure, and prepare a sample ACO participant agreement for submission with the application that meet program requirements and utilize the ACO participant list worksheet listing all ACO participants. Please note that this worksheet is not required for submission but can help you in preparing your application.

If you are a Track 3 ACO or a Track 1+ model ACO applying for the SNF 3-Day Rule Waiver, you will also need to prepare a sample SNF affiliate agreement that meets all program requirements and prepare a list of your SNF affiliates with your SNF 3-Day Rule Waiver application. Later this spring, CMS will provide a SNF affiliate list template to use during submission.

All ACO participant and SNF affiliate agreements must be finalized and signed by both parties. The ACO participant agreements must be signed by both the ACO and the ACO participants, and the SNF affiliate agreements must be signed by both the ACO and SNF affiliates prior to submitting them as part of your application.

You should begin establishing your repayment mechanism only if you have chosen to apply under Tracks 2, 3, or the Track 1+ model. These are two-sided risk models under which ACOs may share in losses. Note that if you are currently participating under Track 1 and applying to extend your first agreement period under Track 1 for a fourth performance year and are deferring by 1 year your entrance into a second agreement period under Track 2 or Track 3, you must submit this renewal application as a Track 2 or Track 3 ACO and also must meet the repayment mechanism requirements. And,

finally, ACOs should begin preparing application narratives and establish a checking account with a financial institution.

Slide 43 provides a table outlining which applications are available to each ACO cohort. All ACOs must submit a Notice of Intent to Apply or NOIA if intending to apply to either the Shared Savings Program, the Track 1+ model, and/or for a SNF 3-Day Rule Waiver. As the table indicates, new and renewing ACOs must complete a Shared Savings Program application. That's either the initial application or the renewal application, respectively. All ACOs applying to the Track 1+ model must complete the Track 1+ model application. Track 1+ model ACOs and Track 3 ACOs have the option to complete an application for the SNF 3-Day Rule Waiver.

We're now on slide 44. Applicants to the Shared Savings Program should be prepared to submit narratives describing: their ACO's history, mission, and organization; how they will distribute shared savings; how the ACO will implement required processes and patient-centeredness criteria; how the ACO will ensure privacy and security of data and how it intends to use that data; and any exemptions to other program eligibility requirements.

There are also additional narratives required for the SNF 3-Day Rule Waiver application. CMS recommends that ACOs start the application process early so that they can complete the process on time. All these eligibility requirements are included in the 2018 Application Toolkit and on the How To Apply webpage.

Slide 45 provides a chart detailing different ACO organizational structures. It is important that ACOs can identify their structural category. This will ultimately help ACOs fill out the application appropriately.

The first category is the typical or traditional ACO. It is the most common structure. This type of ACO is formed by two or more participant TINs that have joined together to form the ACO. To meet program rules, they establish a separate legal entity to be the ACO with a governing that is the mechanism by which the ACO participants share governance of the organization.

These ACOs must submit a sample of the agreement – must submit a sample agreement the ACO has with each ACO organization. These ACOs must also submit executed

agreements of each participant agreement that has been signed by the ACO and each ACO participant. CMS will discuss agreement requirements on the next provider call on April 19th.

The second category is what CMS refers to as a single TIN ACO. These ACOs are made up of one large Medicare-enrolled TIN that can satisfy the program requirements on its own. The advantage of this structure is that the sole participant can use its existing legal entity and governing body as the ACO.

The disadvantage of this structure is that it does not permit other ACO participants to join. For example, CMS has seen situations where a single Medicare-enrolled TIN has applied to the program but then realized that they are unable to meet the 5,000 assigned beneficiary requirement and it's too late in the process to recruit other participants and set up a separate legal entity.

The third category is what we refer to as single TIN ACO set up as traditional ACO. This is a single Medicare-enrolled TIN that has chosen to set up a separate legal entity as the ACO. Initially, it may be the only representative on the new ACO's governing body because it is the only ACO participant. The advantage of this arrangement is that the sole participant has the flexibility to invite others to participate in case, for example, the ACO is unable to establish 5,000 assigned beneficiaries.

We're now on slide 46. ACOs are required to have an identifiable governing body with ultimate authority to execute the functions of your ACO. This governing body must be the same governing body of the legal entity that is the ACO; be separate and unique to the ACO and must not be the same as the governing body of any ACO participant; have responsibility for oversight and strategic direction of the ACO; have a transparent governing process; and ensure that members have a fiduciary duty to the ACO, including the duty of loyalty; and that they act consistent with that fiduciary duty.

Slide 47 describes ACOs – what – the evidence ACOs must submit with their application to prove that their governing body structure complies with the Shared Savings Program regulations. An ACO's governing body must be an identifiable body, be a mechanism for shared governance for ACO participants or combinations of ACO participants that form the ACO, and provide for meaningful participation in the composition and control of the ACO's governing body for participants and their designated representatives, and be at

least 75-percent controlled by its ACO participants and include at least one Medicare beneficiary.

Please note that if an ACO's governing body is not at least 75-percent controlled by ACO participants or does not include a Medicare beneficiary, the ACO may seek an exception. To get an exception, the ACO must tell us why the exception is necessary and explain how the ACO will involve ACO participants in innovative ways or provide for meaningful representation in ACO governance for Medicare beneficiaries.

The ACO must also have a conflict of interest policy that applies to members of the governing body. This policy must provide for disclosure of relevant financial interests, have a procedure to determine whether a conflict of interest exists, and a procedure to address conflicts of interest that arise and also articulate remedial actions for members of the governing body that failed to comply with the ACO's conflict of interest policy.

We're now on slide 48. ACOs must establish and maintain a compliance plan that includes at least the following five elements – first, a designated compliance official who reports to the ACOs governing body but does not serve as legal counsel for the ACO; second, mechanisms for identifying and addressing compliance problems related to ACO operations or performance; third, a method for employees, ACO participants, providers/suppliers, and other individuals to anonymously report suspected problems or concerns related to the ACO to the compliance official; fourth, compliance training for ACO participant and ACO providers/suppliers; and, fifth, requirement to report probably violations of law to law enforcement.

We're now on slide 49. ACOs must submit a sample ACO participant agreement and a sample SNF agreement, if you're applying to the SNF 3-Day Rule Waiver, in addition to executed agreements with all participants and affiliates. All executed agreements must meet requirements, be finalized, and be signed by both parties. We will provide additional details on the April 19th call.

Slide 50 emphasizes a few key points that CMS would like to emphasize to applicants about the participant agreements required for the application. First, the sample ACO participant agreement must meet all program requirements.

Second, the agreements submitted to CMS must be the same agreement used with participants. And, finally, ACOs must submit first and signature pages of each executed agreement signed in pen and ink. Electronically signed or stamped agreements will not be accepted. ACOs should reference the participant agreement template located in the Application Toolkit, which will be available later this summer.

The completed ACO participant agreement template must be submitted with the sample ACO participant agreement. ACOs can now reference the 2017 Application Toolkit on the How to Apply webpage until the 2018 toolkit is made available.

Slide 51 emphasizes a few key points for applicants to keep in mind about the ACO participant list. The next couple of slides emphasize some key areas for applicants to ensure they submit their participant list accurately and completely when submitting your application.

The TIN information required is the tax identification number, the TIN's legal business name, and, additionally, for certain types of participants, we also need additional data. For example, critical access hospitals or electing teaching amendment hospitals will need both the TIN and CMS certification number or CCN. Federally qualified health centers or rural health clinics will require the TIN, the CCN, organizational national provider identifier, or NPI, and individual NPI information. Also, ACOs must identify any sole proprietor ACO participants enrolled in Medicare under their Social Security number but billing Medicare under a separate employee identification number, or EIN. Both the SSN and EIN must be submitted on your ACO participant list. ACOs should review the Participant List and Participant Agreement Guidance available on the Guidance webpage. We provided a link on the slide.

Slide 52 offers additional key points for your participant list. After submitting the application, ACOs will only have one chance to correct data on the ACO participant list. After submitting an application, you will receive one request for information where ACOs are able to submit additional ACO participants and correct any TIN, CCN, or NPI information.

This first request for information is the only chance to do so after you've submitted your application. So CMS strongly encourages ACOs to accurately and completely submit the TIN, CCN, and NPI information with the application. There will not be an opportunity to

correct transposed or mistyped TIN, CCN, or NPI numbers beyond responses to RFI-1. Any incorrect TINs, CCNs, or NPIs will be denied.

Slide 53 discusses requirements related to establishing a repayment mechanism. ACOs choosing to participate in a two-sided risk model with a potential for shared losses must establish a repayment mechanism. This mechanism must be capable of repaying an amount equal to at least 1 percent of the ACO's total per capita Medicare Part A and Part B Fee-for-Service expenditures for its assigned population based on expenditures used to establish the ACO's benchmark.

ACOs must select from one or more of the following three types of repayment arrangements: funds placed in escrow, a surety bond, or a letter of credit. If you're selecting a two-sided risk model, start having discussions now with your organization and a bank regarding the best repayment mechanism for your ACO. And we recommend reviewing the repayment mechanism guidance available on the Shared Savings Program Guidance webpage. We'll send you the repayment amount estimate during the RFI process following your application submission.

We're now on slide 54. CMS recommends as soon as the ACO is formed it should establish a valid account and set up an active checking account using the ACO's legal business name and TIN. The ACOs will not receive an electronic fund transfer if this information does not match. Shared Savings will only be deposited directly into this account.

We're now on slide 55. Following application submission, CMS may ask for additional materials or documents to support your application. Based on past experience, the majority of information requested by reviewers will be about the formation and operation of the ACO. Responding quickly to these requests with the necessary information is critically important because it will help processing your application.

Application Process

During the next section, we will discuss steps ACOs take when submitting an application.

Slide 57 provides an overview of the application submission process. When applying to the Shared Savings Program and/or the Track 1+ model, ACOs will submit a Notice of Intent to Apply, obtain a CMS user ID, submit the application through the Health Plan

Management System, or HPMS and, finally, mail Form CMS-588, the Electronic Funds Transfer Form, to CMS.

The first step in the application submission is to prepare and submit an NOIA or Notice of Intent to Apply. Each applicant to the Shared Savings Program Track 1+ model or the SNF 3-Day Rule Waiver must submit an NOIA to be eligible to submit an application. Consequences of failure to submit an NOIA include preclusion from the application submission process, including renewing your agreement with CMS and applying for the Track 1+ model or the SNF 3-Day Rule Waiver.

The NOIA Guidance Document was posted on the How To Apply webpage last week for more information. It is important to note that submitting an NOIA does not bind an ACO to submit an application. However, you must submit and NOIA prior to submitting an application.

Slide 59 provides a chart of the key dates in the NOIA submission process. Beginning May 1st, initial applicants can submit the NOIA. And currently participating ACOs planning to apply for the Track 1+ model or SNF 3-Day Rule Waiver should submit their NOIA through HPMS. The deadline for NOIA submissions is 12 pm noon eastern time on Wednesday, May 31st, 2017. CMS will not accept late NOIA submissions.

Slide 60 explains the next step in the application submission process. Following the NOIA submission, ACOs must submit CMS user ID forms for at least four users. All individuals who submit their application or will – submit the application or will utilize CMS data if the ACO is approved to participate must have a CMS user ID.

CMS would like to emphasize that ACOs should take this step immediately upon receiving an ACO ID number, which is included in the NOIA Receipt Notice email. This email will walk ACOs how to fill out the CMS Form 20037, which is used to obtain a CMS user ID.

And this process can take up to 3 to 4 weeks. Therefore, we stress the importance of completing this step as soon as possible and note that these forms must be submitted by June 8th, 2017.

We're now on slide 61, which explains step three of the application submission process. CMS will post the 2018 sample applications and the 2018 Application Toolkit on the Shared Savings Program How to Apply webpage in the spring of 2017. Application forms include the initial application, the renewal application, the Track 1+ model application, and the SNF 3-Day Rule Waiver. You should review the applications thoroughly and as soon as possible. Applications are accepted from July 1st through July 31st, 2017, at 12 pm noon eastern time.

We are now on slide 62. Following your ACO's application submission, CMS may request additional information. Additional information will come from CMS through the Shared Savings Program application's web address or web email. And you should ensure that your organization's email server does not block emails from this address.

ACOs must send the information requested back to CMS via HPMS by the date specified in the RFI. Each of these RFIs will identify areas in the application that require correction. The RFIs will come with instructions to make and submit corrections and other pertinent information. The following slides provide an overview of what ACOs can and cannot do for each RFI.

Slide 63 focuses on actions the ACO can take in response to RFI-1. This includes adding ACO participants and SNF affiliates; modifying TIN, CCN, NPI information; changing from a one-sided model to a two-sided model; applying to the SNF 3-Day Rule Waiver; applying to the Track 1+ model; or combining applications.

During RFI-1, ACOs will have the opportunity to correct application responses and application supporting documentation, as well as agreements as well as editing, withdrawing, or deleting participants on the participant list for 2018. ACOs will receive separate RFIs for the Shared Savings Program application, Track 1+ model application, and the SNF 3-Day Rule Waiver application.

Slide 65 describes actions ACOs can take in response to RFI-2. And slide 66 describes actions ACOs cannot take in response to RFI-2. Please keep in mind that ACOs are no longer allowed to add participants or SNF affiliates for the 2018 performance year after RFI-1.

Slide 67 details actions ACOs can take in response to RFI-3. Slide 69 provides a chart of the key dates in the application submission process for ACOs applying to the January 1st, 2018, program start date. Understand that CMS is required by statute to start each new cycle on January 1st of each year. So it is imperative that all deadlines are met to comply with the law. As previously noted, CMS will accept applications from July 1st, through July 31st, 2017.

We are now on slide 70. The EFT, or Electronic Funds Transfer, Authorization Agreement Form CMS-588 must be mailed to the CMS Baltimore office. And this form is how CMS will establish your vendor account. Complete the form with checking account information established in the ACO's legal business name and TIN. Applications are considered incomplete without this form.

Slide 71 provides useful tips and reminders when applying to the Shared Savings Program or Track 1+ model.

At this time, we would like to welcome back Dr. Postma to discuss program keys for success.

Shared Savings Program Keys to Success

Dr. Terri Postma: Thanks, Ben.

All right. So, you've gotten a lot of information about details on how to apply. But whether or not you decide to apply to the program, I'd really like to encourage you in your efforts to work toward improving your patients' journey of care through the health system.

And, also, before you apply, just to keep in mind some of the information that ACOs have shared with us over the years. We've really been privileged to engage with all the ACOs since the start of the program.

And ACOs that have shared in savings have been really very generous and thoughtful in sharing the strategies that they believe were responsible for their success. So, I'd like to share a couple of those with you now as you contemplate applying for participation in the program.

One thing we've heard loud and clear from ACOs in the past is that it's really important to start now, not when you are accepted to the program or not on January 1st. Really, you should be starting to develop your ACO's strategies and putting them into place now. Start educating the practitioners that you anticipate will participate in your ACO, and start doing that now. Also, while planning ahead, identify your ACO's unique strengths and acknowledge where there are weaknesses. Really build on those strengths and continually monitor and review your processes to understand what's working and where you can make improvements.

Something else we've really heard loud and clear from ACOs that have shared in savings is to be selective in your partnerships, whether those partners are ACO participants or vendors, and select the ones that align with your ACO's mission and vision and who will help your ACO consistent with that mission or vision.

Also, ACOs function best when ACO leadership and practitioners that have formed or joined the ACO work closely and transparently together. ACO leadership should clearly articulate expectations so that ACO participants understand what their involvement in the ACO means. This is really important particularly because of all the interactions with other programs like the Quality Payment Program.

And, finally, get a good picture of your patient population and their needs. Identify early achievable goals for the first performance year and then build on that success. Don't try to do everything at once.

I hope these tips from other ACOs are helpful as you think through whether you want to apply.

And I'm going to turn the presentation back over to Ben.

Resources

Ben Dellva: Thanks, Dr. Postma. The final section covers resources available to you as you are preparing your application.

Slides 75 and 76 are links to several resources that are very important when preparing your application, and you should review those.

Slides 77 and 78 cover upcoming webinars that are available to you to assist you with your application process.

And, finally, slide 79 covers contact information. If you have any question throughout the application process, please contact us by email at sspaco_applications@cms.hhs.gov. This concludes the prepared portion of the Shared Savings Program application call. We will now accept questions for the remainder of the time.

Question-and-Answer Session

Leah Nguyen: Thank you, Ben.

Now our subject matter experts will take your questions. Before we begin, I would like to remind everyone that this call is being recorded and transcribed. Please state your name and the name of your organization once your line is open. In an effort to get to as many participants as possible, we ask that you limit your questions to just one. If you would like to ask a follow-up question or have more than one question, press star, one to get back into the queue, and we'll address additional questions as time permits.

All right. Maria, we are ready for our first caller.

Operator: Our first question comes from the line of Bonnie Shok.

Bonnie Shok: Hello. I was wondering if we complete the application and are accepted for Track 1+, are we at that point – if we haven't yet signed the agreement, are we able to change our mind and stay in Track 1? In other words, does acceptance of our application require us to move into Track 1+, or do we have a little time to think about it?

Karmin Jones: Hi, this is Karmin Jones. So once we issue a final decision of approval, ACOs have the opportunity to accept or decline participation. So you will have a short window or period of time to review. But, again, it is a short window. So you do want to make sure that throughout the application process you are actively evaluating your participation.

Leah Nguyen: Thank you.

Bonnie Shok: Okay. And if we decline, that means we can stay in Track 1, which is what we're in now, correct?

Karmin Jones: Correct.

Bonnie Shok: Thank you.

Leah Nguyen: Thank you.

Operator: Your next question comes from the line of Chantal Buchanan.

Chantal Buchanan: Hi. We are a Track 1 ACO. And we are renewing in the Shared Savings Program for our second agreement period for 2018, so we're applying this summer. We are also considering moving into the Track 1+ model in 2019. Would we apply for Track 1+ next summer, and would we be signing a 2-year or a 3-year agreement?

Jonathan Blanar: This is Jonathan Blanar – Jonathan Blanar with CMS. I'll take the first part of the question. You would apply next year, in 2018, for the 2019 performance year if you want to enter Track 1+ in 2019.

Elizabeth November: Right. So, this is Elizabeth November. So at that point, I think, based on what you said, you would be within an agreement period. And if that's the case, then when you enter the model within the current agreement period, you simply complete the rest of the time of that existing agreement period under the model. So let's say you enter that – entrance of the model in your second performance year of your agreement period, you'd complete performance year 2 and 3 in the model.

Chantal Buchanan: Great. Thank you very much.

Leah Nguyen: Thank you.

Operator: Your next question comes from the line of John Kelly.

John Kelly: Thank you. Our organization is currently not an ACO participant with Medicare Shared Savings Program. And I'm referring to slide 27 in your document. However, more than 40 percent of the participants that will be in the application for performance year 2018 were in and are currently in a Track 1 ACO. So I wanted to read and correctly understand the third bullet point under slide 27. It says if 40 percent or

more of the ACO participants have Participation Agreements with an ACO that was participating in a performance-based risk Medicare ACO, then you would be ineligible for Track 1+.

So my question is if the participants are now on the Track 1, I am assuming they are eligible for a Track 1 or a Track 1+ in a newly-formed ACO. Would that be correct?

Heather Grimsley: This is Heather Grimsley. That is correct. Track 1 is not a performance-based risk track. So you would not be ineligible based on the criteria that 40 percent or more could not be in a prior performance-based risk track.

John Kelly: Thank you so much.

Leah Nguyen: Thank you.

Operator: Your next question comes from the line of Jeremy Pincus.

Jeremy Pincus: Hi. Good afternoon. Thank you very much for your time. My Track 1 ACO currently has 800 participating tax ID numbers. If we decide to pursue Track 1+ for performance year 2018, will all of our current Track 1 participants have to sign a new agreement for Track 1+? Thank you.

Leah Nguyen: Hold on one moment.

Jonathan Blanar: This is Jonathan at CMS. Why don't we take that question back and we will get you an answer to that question? You can send, I guess, an email to the Shared Savings mailbox, and we'll be sure to address that on the next call as well.

Jeremy Pincus: Great. Thank you very much.

Operator: Your next question comes from the line of Jay Williams.

Jay Williams: Hi. This is Jay Williams with UC Health. We are currently a Track 3 ACO applying for the SNF 3-Day Rule Waiver program. And my question is, is a separate repayment mechanism required for the – for participation in the SNF affiliate program?

Jonathan Blanar: Hi. This is Jonathan again with CMS. No. A separate repayment mechanism is not required for the SNF 3-Day Rule Waiver. The repayment mechanism that you have in place as a Track 3 ACO is sufficient.

Jay Williams: Great. Thank you.

Leah Nguyen: Thank you.

Operator: Our next question comes from the line of Jennifer Koning.

Jennifer Koning: Good afternoon. We are currently a Track 1 MSSP renewing for 2018 looking to go into Track 1+ model. And, similar to a question that was asked earlier, do we need a new back account? Do we need new 588 forms? Do we need new narratives? Or can we reuse our current application and forms? Thank you.

Karmin Jones: So – this is Karmin. So, you would – if you're applying for Track 1+ and you are renewing, you will be completing two applications. Your first application is your renewal application, and you will need new agreements with your ACO participants that have agreed to continue on with you for the second agreement period.

You will be required to answer the attestations as a part of your application and identify if anything has changed from your – from who you were when you were approved in your initial agreement period with us. So you would complete that. In addition, you would complete a Track 1+ application and be required to answer those questions that are associated with that application.

Leah Nguyen: Thank you.

Jonathan Blanar: And this is Jonathan. Our renewal application from last year is online. You might want to take a look at it. But, we will be posting our new renewal application for 2018 in June. But it will be very similar. There will be few changes to it. It should give you a good idea of what's required.

Leah Nguyen: Thank you.

Operator: Your next question comes from the line of James Malayang.

James Malayang: Hi. We are currently a Track 1 ACO, and we are moving to Track 1+. Does that mean we need to obtain a new CMS user ID?

Karmin Jones: Hi. This is Karmin again. No. You would maintain your same user ID. I think someone also asked earlier in response to that. If you are renewing your agreement or have an existing agreement, you only need to submit revised banking information if you have changed any of your banking information.

Also, if you are adding any new users that need access to your ACO, those are the only times in which you would need to submit a new user ID or anything of that nature. If there's changes or you're adding folks.

James Malayang: Okay. Thank you.

Leah Nguyen: Thank you.

Operator: Your next question comes from the line of Nathaniel Arnold.

Nathaniel Arnold: Yes. So, my ACO was in the first 3-year program from 2013 to 2015, and then we renewed for another 3 years. So I guess 2016 is currently our fourth performance year.

So my question comes from bullet points on slide 23 where it says renewing Track 1, which is where we are currently, you may continue with your first agreement for a fourth performance year deferring by 1-year entry. So on that bullet point, I'm wondering, is my ACO eligible to defer one more year to remain a Track 1, or would we now be forced next year in 2017 – sorry, in 2018 I suppose, to be a Track 2 or 3 or change to a Plus model?

Jonathan Blanar: This is Jonathan. So, you started in 2013 and ...

Nathaniel Arnold: Yes. That's correct. Twenty-thirteen was our first performance year, I do believe.

Jonathan Blanar: So, you're up for renewal or no – you're not up for renewal. If you're up for renewal next year, you'll be able to select the option to defer one year. Or no? Yes. You'll be able to select next year when you renew the option to defer one year and

stay in Track 1 for one more year. But you have to commit to going to a Track 2 or Track 3 ACO.

Nathaniel Arnold: And that would be for, I guess – so that is next summer. It would be the – kind of like the deadline.

Jonathan Blanar: That is right. Yes.

Nathaniel Arnold: Okay. Thank you.

Leah Nguyen: Thank you.

Operator: Your next question comes from Rachit Thariani.

Rachit Thariani: Hi. We are an initial applicant, and one of our entities is a PPS-exempt cancer hospital. So as we think about beneficiary assignment, how does being a PPS-exempt institution impact either the beneficiary selection or assignment or the expenditure benchmark?

Dr. Terri Postma: Hi. This is Terri. The assignment methodology is based on PFS and primary care Part B claims. So, if the PPS-exempt entity bills under the Physician Fee Schedule for Fee-for-Service beneficiaries, if they bill for those certain primary care service codes that we defined in the rule, then it's a possibility that beneficiaries would be assigned on that basis.

When we calculate the total per capita cost, what – for the benchmarking and for the performance year, once the assigned – once the beneficiaries are identified for assignment for your ACO, we include the total cost of care for the beneficiaries, and that total cost of care includes all Part A and B expenditures.

This assignment methodology will be explained in more detail, I believe, on the April 19th call. Is that right? I'm looking at Jonathan. Yes. It'll be explained in a lot more detail on the April 19th call. So if you want to understand more about beneficiary assignment and the calculation of the benchmark, please attend that call.

Leah Nguyen: Thank you.

Rachit Thariani: Thank you.

Operator: Your next question comes from Erin DeLoreto.

Erin DeLoreto: Hi. Thank you for taking my question. It is a two-parter. The first part is, are new entities that are not currently participating in the Medicare Shared Savings Program eligible to apply directly to the 1+ in their first contract period? And then, the second part of that is if that entity were to incur losses in their performance year and terminate their contract prior to the end of that performance year, are they responsible for paying back any shared losses? Thank you.

Karmin Jones: This is Karmin. I'll answer the first part and then will turn it over for the second part. So as new ACOs, you can apply directly to the Shared Savings Program under Track 1 and also apply to the Track 1+ model. Again, in this instance, you would have to complete both applications, but so it is eligible to you. I'll turn it over to Heather.

Heather Grimsley: This is Heather Grimsley. If your ACO terminates during the performance year, then you are not eligible or you do not share in savings or required to repay losses. But you are then not eligible to participate in the program for the length of your current agreement period. So if that occurs during your first year of your performance year, your ACO would not be eligible to re-apply to participate in the program for the two following years.

Erin DeLoreto: Thank you.

Jonathan Blanar: This is Jonathan. I want to clarify one thing for the gentleman that asked a question a couple of questions ago about renewing for, I guess, it would be his third agreement period. The deferral option is only for an ACO who is in their first agreement period. So you would not be eligible for the deferment option. So I apologize for that. But we did look that up in the rule. So, I just wanted to circle back on that.

Leah Nguyen: Thank you.

Operator: Your next question comes from the line of Tiffany Noller.

Tiffany Noller: Hello. This is with the questions regarding the Quality Payment Program. So, we are – this will be our first renewal, so we're looking to decide if we want to stay in Track 1 or do the Track 1+. And with regards to the 5-percent lump sum payment and

being excluded from MIPS, if we don't start the Track 1+ until 2018, we still quality for that, correct, even though the MIPS and everything – we're technically in the performance year right now?

Dr. Terri Postma: If you're in a – if your ECs are participating in a Track 1 ACO in 2017, then they are subject to MIPS because they – but under the MIPS – special MIPS APM reporting and scoring standards. Once you renew this year, whatever your participating – your ECs are participating in for 2018 will determine whether or not they're subject to MIPS for 2018.

Tiffany Noller: Okay. Thank you.

Leah Nguyen: Thank you.

Operator: Your next question comes from the line of Chantal Buchanan.

Chantal Buchanan: Hi. Yes. I have a question about sole proprietors and the requirement to submit both their Social Security number and their EIN numbers. Is it required to have two separate agreements for each of those two numbers?

Ben Dellva: Hi. This is Ben. No, it is not required. But you should list both – clearly list both numbers on the agreement to identify that both the Social Security number and the employer identification number are associated with that participant. And then you should include both of those numbers on your participant list for that participant. Both are needed for enrollment and assignment.

Chantal Buchanan: Okay. So just make sure to have both numbers on the signature page, for example?

Ben Dellva: That would be great.

Chantal Buchanan: Great. Thank you so much.

Leah Nguyen: Thank you.

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

Barbara Newton: Yes. I would like to ask about – to clarify – again, if we enroll our ACO from Track 1 to Track 1+ for 2018, are the payments to our physicians for 2019 changed? Is the 5-percent increase for MACRA going to hit them? Or because it's 2017 now, are they going to be in MIPS in 2019?

Dr. Terri Postma: Hi, this is Terri. So the performance year – the Shared Savings Program performance year corresponds to the QPP performance year. The MIPS payment adjustment impacts providers' payments 2 years later. So, for example, if your eligible clinicians are participating in a Track 1 ACO for performance year 2017, that will – under MIPS, their adjustments would occur in 2019 to their payments based on the performance for 2017. If you renew this summer and your ECs begin participating in an advanced APM in 2018, then the 2018 performance year for MIPS will be applicable to 2020 payments. And, so, for 2018 then, if they're exempt from MIPS because they're participating in an advanced APM and determined to meet the QP threshold, then there would be no adjustments to their 2020 payments. Instead, they would get the bonus.

Leah Nguyen: Thank you.

Operator: Your next question comes from Jeremy Pincus.

Jeremy Pincus: Hi. Good afternoon. My Track 1 ACO started in performance year 2012. We have been told that the end of our current agreement period, which is December 31st, 2018 – that even if we were to switch to Track 1+ for 2018, we will not be able to renew a Track 1+ agreement for another agreement period starting in 2019. Is that true? Thank you.

Ben Dellva: Oh, because it'll be there…

Leah Nguyen: Hold on a moment.

Elizabeth November: Hi. This is Elizabeth. So, your ACO, because it is renewing for the third time in 2019, will have to choose between entering that renewal agreement period or applying for renewal under Track 1+, Track 2, or Track 3.

Jeremy Pincus: So we will have an option for our third agreement period to renew as a Track 1+ if we join Track 1+ for our third performance year in our second current agreement period?

Elizabeth November: Yes. You'd have to renew for your agreement period starting in 2019 under the Track 1+ model.

Jeremy Pincus: Okay. Thank you very much.

Leah Nguyen: Thank you.

Maria, we have time for one final question.

Operator: Your next question comes from the line of Jay Williams.

Jay Williams: Hi. Thanks again. I just wanted to seek clarification on slide number 49 regarding the SNF 3-Day Rule Waiver program. The question is, is a participant agreement and a SNF affiliate agreement required for the application process?

Katherine Godwin: If you're applying as the – just as the SNF 3-Day Rule Waiver and you're just applying the SNF or the SNF affiliate and not a participant, only the SNF affiliate agreement is required. But if it's going to be a participant and a SNF affiliate, you would need both.

Jay Williams: Okay. That makes sense. Thanks for the clarification.

Additional Information

Leah Nguyen: Thank you. Unfortunately, that is all the time we have for questions today. If we did not get to your question you can email it to the address listed on slide 79 of the presentation. An audio recording and written transcript of today's call will be posted to the MLN Connects Call website.

On slide 81 of the presentation, you will find information and a URL to evaluate your experience with today's call. Evaluations are anonymous, confidential, and voluntary.

Again, my name is Leah Nguyen. I would like to thank our presenters and also thank you for participating in today's MLN Connects call on the Medicare Shared Savings Program. Have a great day, everyone.

Operator: This concludes today's call. Presenters, please hold.

-END-


CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES


Medicare
Learning
Network
Official Information Health Care
Professionals Can Trust


MLN Connects®