

Accountable Care Organization Primary Care Flex Model (ACO PC Flex Model)

Model Overview Webinar

April 4, 2024

Centers for Medicare & Medicaid Services | Center for Medicare & Medicaid Innovation



All information provided in the Model Overview Webinar is potentially subject to change.

When published, the Request for Application (RFA) will be the official source of information about ACO PC Flex Model details and the application process.

Housekeeping & Logistics



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Participate



If you have questions for the ACO PC Flex Team, please use the Q&A box on the bottom of your screen.



Provide Feedback



Please complete a short survey, available at the end of the event.

Closed captioning is available on the bottom of the screen.

Today's Presenters



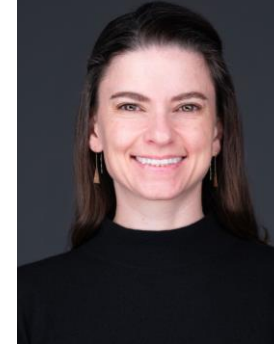
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*Chief Transformation
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Agenda

1 | Introductions and Welcome Remarks

2 | ACO PC Flex Model Overview

3 | Eligibility and Participation

4 | Payment Structure & Model Elements

5 | Application and Next Steps

6 | Q&A

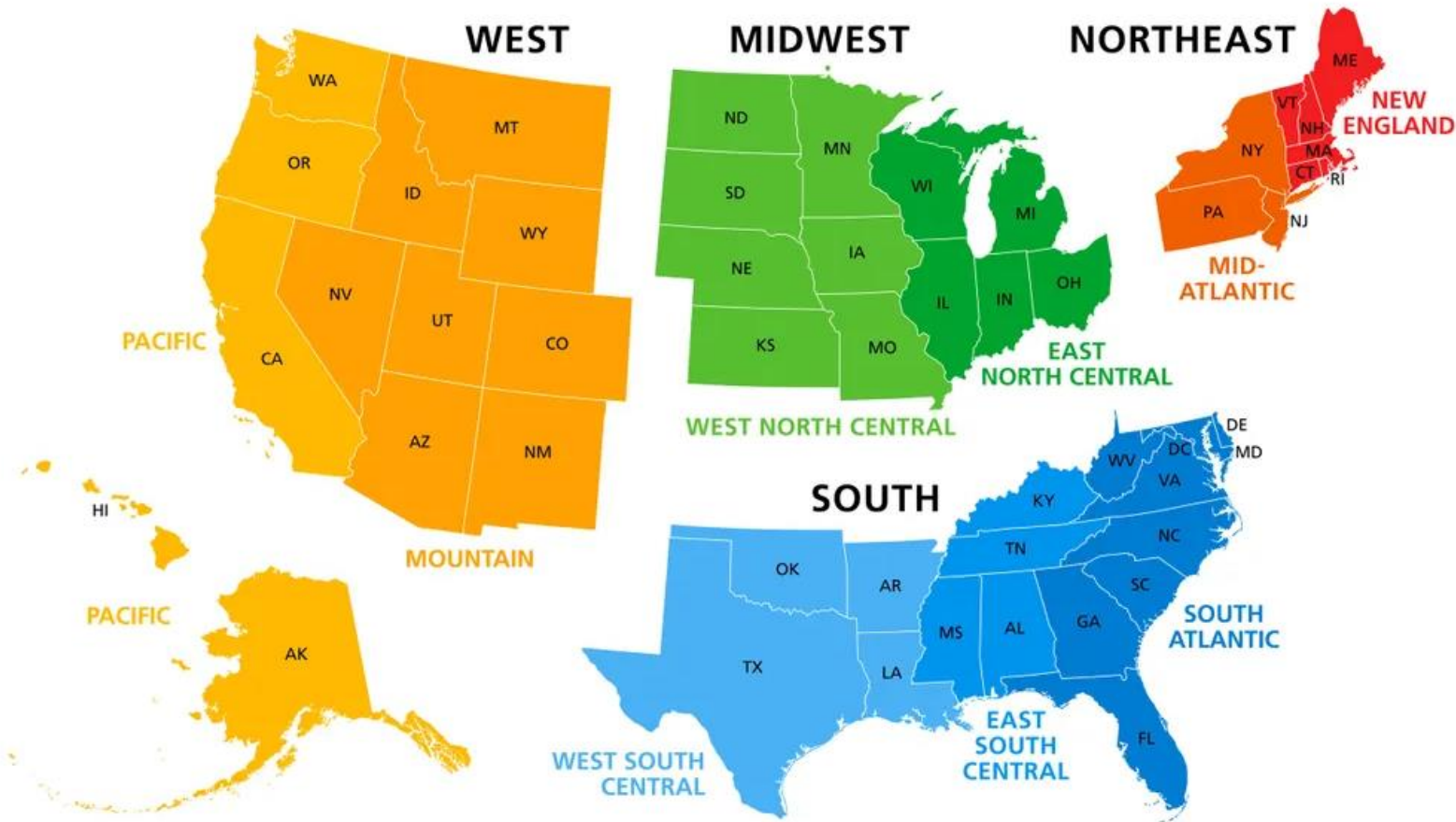
7 | Closing and Resources



Please select what type of organization you represent.

- a. Accountable Care Organization (ACO)
- b. Federally Qualified Health Center (FQHC)
- c. Rural Health Clinic (RHC)
- d. Critical Access Hospital (CAH)
- e. Other Hospital
- f. Primary Care Provider
- g. Other type of Provider
- h. Community Organization
- i. Patient or Consumer Advocate
- j. Convener/Enabler
- k. Other

Zoom Poll #2



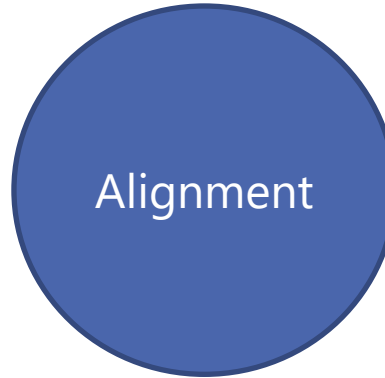
Which region are you calling in from today?

- a. Northeast
- b. Midwest
- c. South
- d. West

ACO PC Flex Model Overview

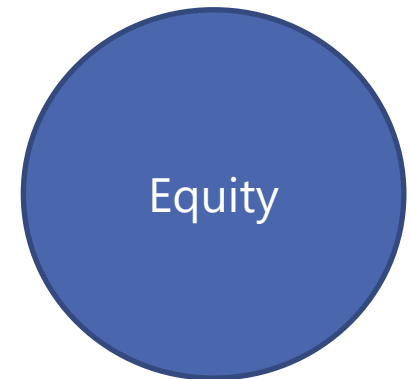
3 Medicare Value-Based Care Priorities

- Established goal to have all Medicare FFS beneficiaries as part of an accountable care relationship by 2030.
- Growth of accountable care relationships can improve quality, increase savings for Medicare, and promote innovative delivery of services that meet patients' needs.



- From the provider's perspective, multi-payer alignment is critical and even aligning across CMS can help set the stage for broader alignment in our health care system.
- Alignment enables providers to focus on the most meaningful quality measures, allowing people with Medicare to get the highest quality care.

- For too long profound inequities have existed across our health care system. The design of value-based arrangements can be a key way to advance equity.
- Quality care for all is not possible without care that is also equitable.



Primary Care Landscape

Fragmented Care



Between 2000 and 2019, the percentage of beneficiaries **seeing 5 or more physicians annually** increased from 17.5% to 30.1%.¹



In that same period, primary care physicians saw an 83% increase in the number of physicians they coordinated with on behalf of their patients.¹

Access Issues



Lack of access to primary care is associated with **lower life expectancy** and **poor health outcomes**.²



Access to primary care services are especially limited for **underserved populations**, including minoritized and rural populations.^{3,4,5}

FFS Payment System



Fewer than 30% of primary care providers say their practices are financially healthy.⁶



FFS payments create incentives for increased volume of short, office-based visits and procedures⁷ as well as fragmented care, limited investment in critical assets like care teams, and limited electronic health record adoption.^{1,8} FFS payments do not support whole-person care.

Model Alignment with CMS Innovation Center Strategy

The ACO PC Flex Model was designed to align with the CMS Innovation Center's vision and strategic objectives.

Innovation Center's Strategy: Vision and Objectives



2021 Strategy White Paper is available at <https://innovation.cms.gov/strategic-direction-whitepaper>

CMS defines health equity as: The attainment of the **highest level of health** for all people, where everyone has a **fair and just opportunity** to attain their optimal health regardless of race, ethnicity, disability, sexual orientation, gender identity, socioeconomic status, geography, preferred language, or other factors that affect access to care and health outcomes.

A New Model to Improve Access to High-Quality Primary Care

THE IMPORTANCE OF PRIMARY CARE



Primary care is the **foundation** of a high-performing health care system and **fundamental to improving health outcomes**



Higher levels of primary care spending improves **outcomes**, lowers **mortality rates** and improves **patient satisfaction**, while decreasing use of avoidable services like emergency room visits and hospitalizations

ACO PC FLEX MODEL STRUCTURE



New, **primary care payment** model for **low revenue ACOs**



Tested within the **Medicare Shared Savings Program**



Increased primary care funding and flexibility via two new payments mechanisms: **One-time Advanced Shared Savings Payment** and **Monthly Prospective Primary Care Payments (PPCPs)**



Empowers participants to utilize more **innovative, team-based, person-centered and proactive approaches to care**



Model features and implementation strategy designed to **promote health equity**

ACO PC Flex Model Goals



Reduce disparities in health care access to high quality primary care and outcomes



Improve individuals' experience and access to care while supporting primary care to deliver on key outcomes



Lower costs while enhancing **quality of care** for individuals in the Shared Savings Program



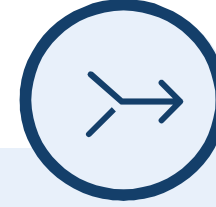
Empower participating ACOs and their providers to **use innovative care delivery approaches** that are team-based, person-centered and proactive – rather than visit-driven – to improve health outcomes and quality of care



Grow participation in the Shared Savings Program to reach CMS accountable care goals

How the CMS Innovation Center is Supporting Primary Care

The CMS Innovation Center is investing significantly in testing models with multiple pathways to strengthen primary care, improve care coordination, and address social determinants of health.⁹



ACO Realizing Equity, Access, and Community Health (ACO REACH)

- Encourages health care providers to come together to form an ACO
- Breaks down silos and delivers high-quality, coordinated care
- Addresses health disparities

2021 - 2026

Primary Care First (PCF)

- Supports primary care practices in managing their patients' health
- Enables primary care providers to offer a broader range of health care services that meet the needs of their patients

2021 - 2026

Making Care Primary (MCP)

- Improves care management, community connections, and care integration
- Increases access to care and creates sustainable change in underserved communities

2024 - 2034

States Advancing All-Payer Health Equity Approaches and Development (AHEAD)

- Creates a new pathway to invest in primary care
- Provides Enhanced Primary Care Payments
- Uses a flexible framework of care transformation activities

2024 - 2034

ACO Primary Care Flex (ACO PC Flex)

- Focuses on improving primary care funding within ACOs
- Flexible, prospective payment within the Shared Savings Program
- Incentivizes the development of new, low revenue ACOs

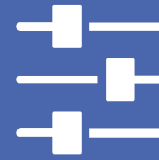
2025 - 2029

Key ACO Primary Care Flex Model Design Features



Advanced Shared Savings

Upfront funding to cover the costs of forming an ACO and / or administrative costs for required model activities



Guaranteed Primary Care Revenue

Enhanced amounts of Prospective Primary Care Payments (PPCPs) are not recouped by CMS to the extent they exceed positive regional adjustment and prior savings adjustments as part of performance-based risk arrangements



Prospective, Population-Based Payments

Prospective, population-based payments for primary care combined with total-cost-of-care accountability within the Medicare Shared Savings Program



Guardrails

Specific policies and monitoring to ensure PPCP funds are used to support primary care



Regionally Consistent Rate for Primary Care

The PPCP County Base Rate will not be based on the historical experience of the ACO, but on average county primary care spending



Health Equity

Multiple model design features to promote health equity

Benefits of Participation in the ACO PC Flex Model

- 1 | On-ramp to **value-based care** for new low revenue ACOs
- 2 | **Increased resources** for most ACOs that participate
- 3 | Increased **flexibility** in use of funds via prospective payments
- 4 | **Health equity** advancement
- 5 | Improved **patient experience**



Advanced Primary Care



Improved Patient Outcomes



Reduced Program Expenditures

Eligibility and Participation

Model Eligibility



Low Revenue Accountable Care Organizations (ACOs)

Low revenue ACOs tend to be mainly made up of physicians and might include a small hospital or serve rural areas. These ACOs' total Medicare Parts A and B FFS revenue of its ACO participants is less than 35% of the total Medicare Parts A and B FFS expenditures for the ACO's assigned beneficiaries.



Eligible ACOs

- ACOs designated as **low revenue** according to the definition above
- **New entrants***, renewals, or current ACOs that start a new agreement period within the **Shared Savings Program**
- ACOs participating in either the **BASIC** or **ENHANCED** tracks of the Shared Savings Program



Ineligible ACOs

- ACOs not part of the **Shared Savings Program**
- ACOs designated as **high revenue**
- Participating ACOs may not simultaneously receive **Advance Investment Payments (AIP)** under the Shared Savings Program

*New ACOs are encouraged to apply to the ACO PC Flex Model.

ACO PC Flex Participation

The ACO PC Flex Model will begin on January 1, 2025 and will run for five Performance Years (PYs) (2025-2029). The model will align with Shared Savings Program policies, including for provider eligibility and beneficiary assignment.



Participation

- ✓ ACOs participating in the ACO PC Flex Model will **jointly participate** in the Shared Savings Program
- ✓ The Prospective Primary Care Payment (PPCP) will be made **to ACOs** for most primary care services. ACOs will distribute payments to primary care practices
- ✓ PPCPs are **in lieu of FFS reimbursement** for all primary care providers, FQHCs and RHCs in the ACO
- ✓ Providers continue to submit claims. Medicare payment systems will **“zero out” claims for primary care services** billed
- ✓ Participants must select **prospective assignment** as part of their Shared Savings Program application
- ✓ Participation in the model is limited to **130 ACOs**

Overlaps with Other Medicare Programs

In general, CMS will not allow organizations and providers to simultaneously participate in the ACO PC Flex Model and another model or Medicare initiative that involves shared savings (aside from the Shared Savings Program), unless otherwise permitted by CMS. More information will be listed in the forthcoming Request for Applications (RFA)



Shared Savings Program
Advance Investment
Payments (AIP)

Not eligible

PC Flex Model ACOs may not simultaneously receive Advance Investment Payments (AIP) under the Shared Savings Program.



CMS Innovation Center
Shared Savings Initiatives
& Other Prohibited Overlaps

Not eligible

Organizations enrolled in CMS Innovation Center Models that involve shared savings (ACO REACH) may not simultaneously participate in the ACO PC Flex Model. Overlap is also not allowed with the Primary Care First Model.



CMS Innovation Center
Non-Shared Savings Initiatives
& Other Allowed Overlaps

Eligible

PC Flex Model ACOs can participate in CMS Innovation Center initiatives that do not involve shared savings.

Payment Structure & Model Elements

Payment Approach Overview

ONE-TIME ADVANCED SHARED SAVINGS PAYMENT

ACO PC Flex will provide a one-time shared savings advance of **\$250,000** to all PC Flex ACOs

Payments can be used to **fund start-up costs** of creating a PC Flex ACO, as well as administrative costs of required model activities



MONTHLY PROSPECTIVE PRIMARY CARE PAYMENTS (PPCPs)

ACOs participating in the model will receive monthly PPCPs that **replace FFS reimbursement** for most primary care services

The PPCP is built from **four components**:

County Base Rate

Enhanced Amount

Adjustments

Primary Care Prospective Admin. Trend

Prospective Primary Care Payments (PPCPs)

An ACO's PPCP will include a base rate derived from the average county primary care spending and amplified by payment enhancements based on characteristics of the ACO and assigned patient population. The PPCP will increase primary care funding for most model participants.

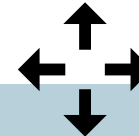


County Base Rate

- Intended to cover PPCP-eligible primary care services.
- Derived from average county primary care spending.
- CMS will construct a county-level Rate Book of primary care spending for all assignment-eligible Medicare beneficiaries in each county. CMS will use three base years to calculate county base rates.
- Each county will receive two county base rates: an ESRD base rate, and non-ESRD base rate.
- A regionally consistent rate for primary care spending will increase payment for providers that have entrenched patterns of inappropriately low spending for underserved areas and populations.



Enhancements



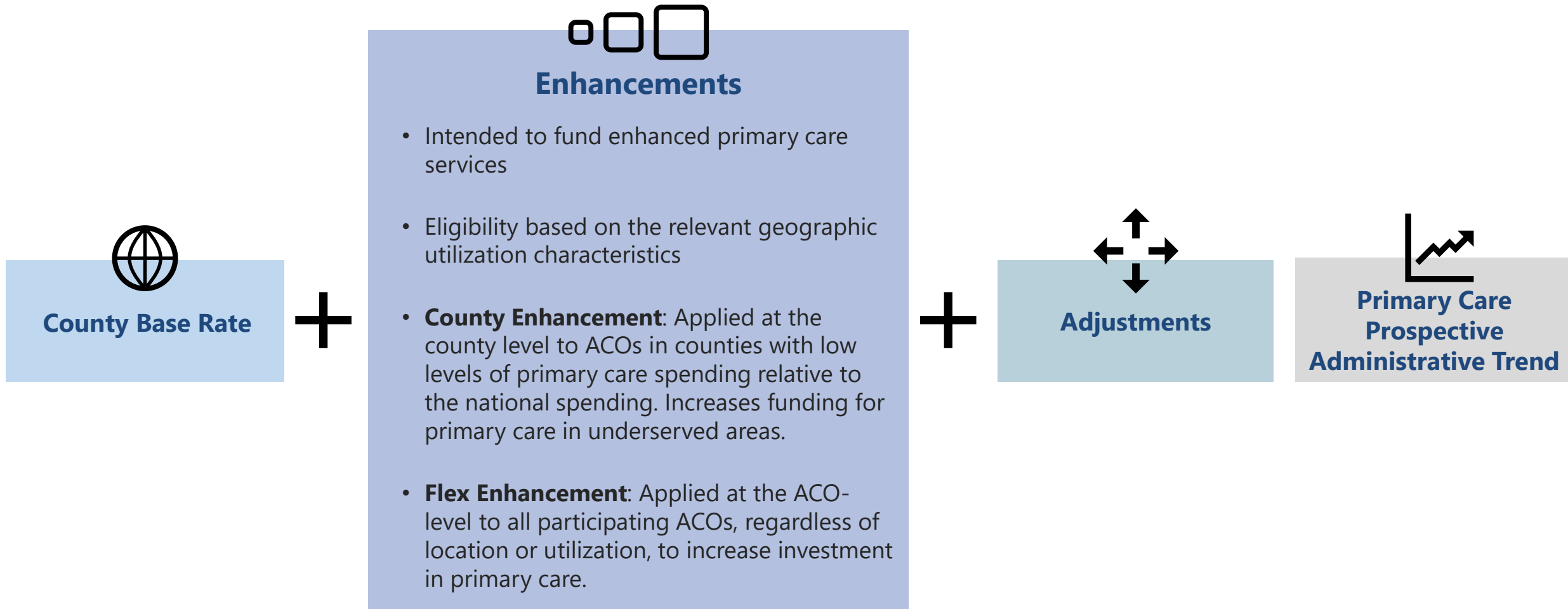
Adjustments



Primary Care Prospective Administrative Trend

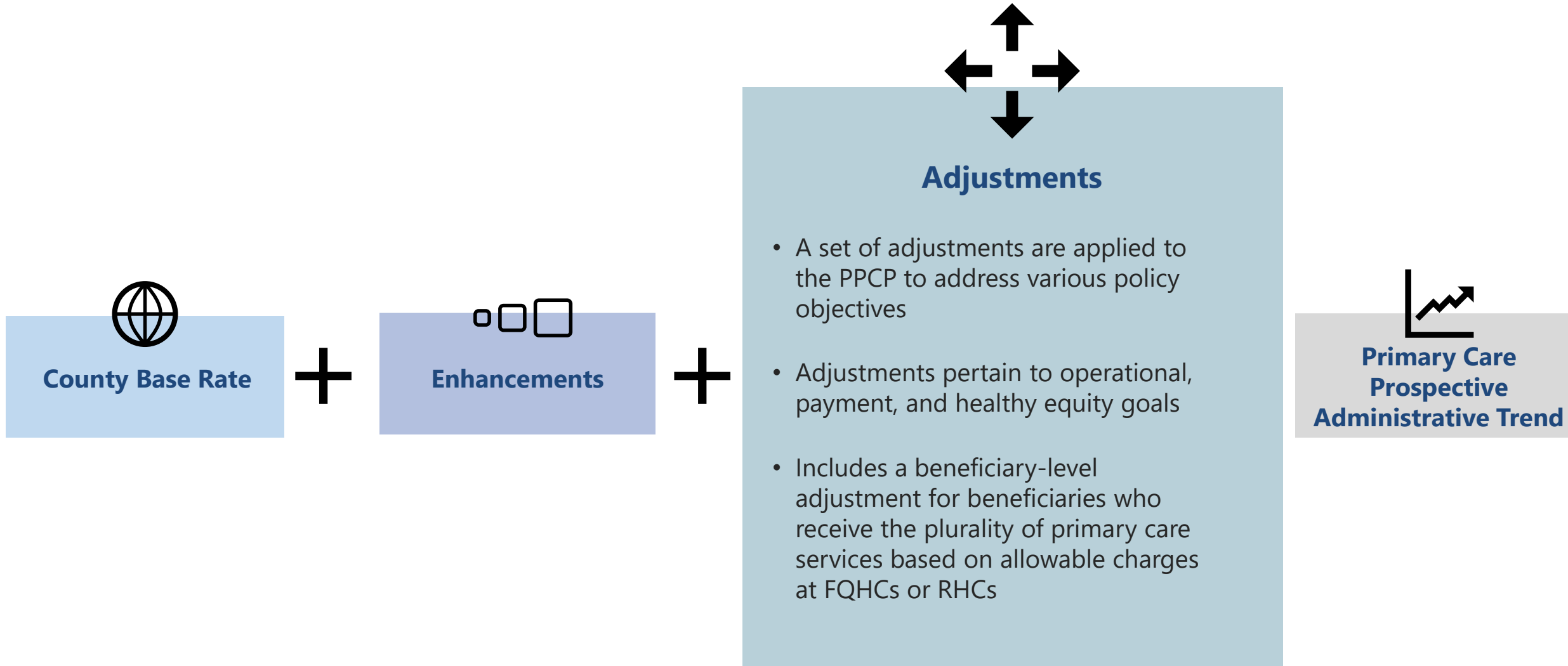
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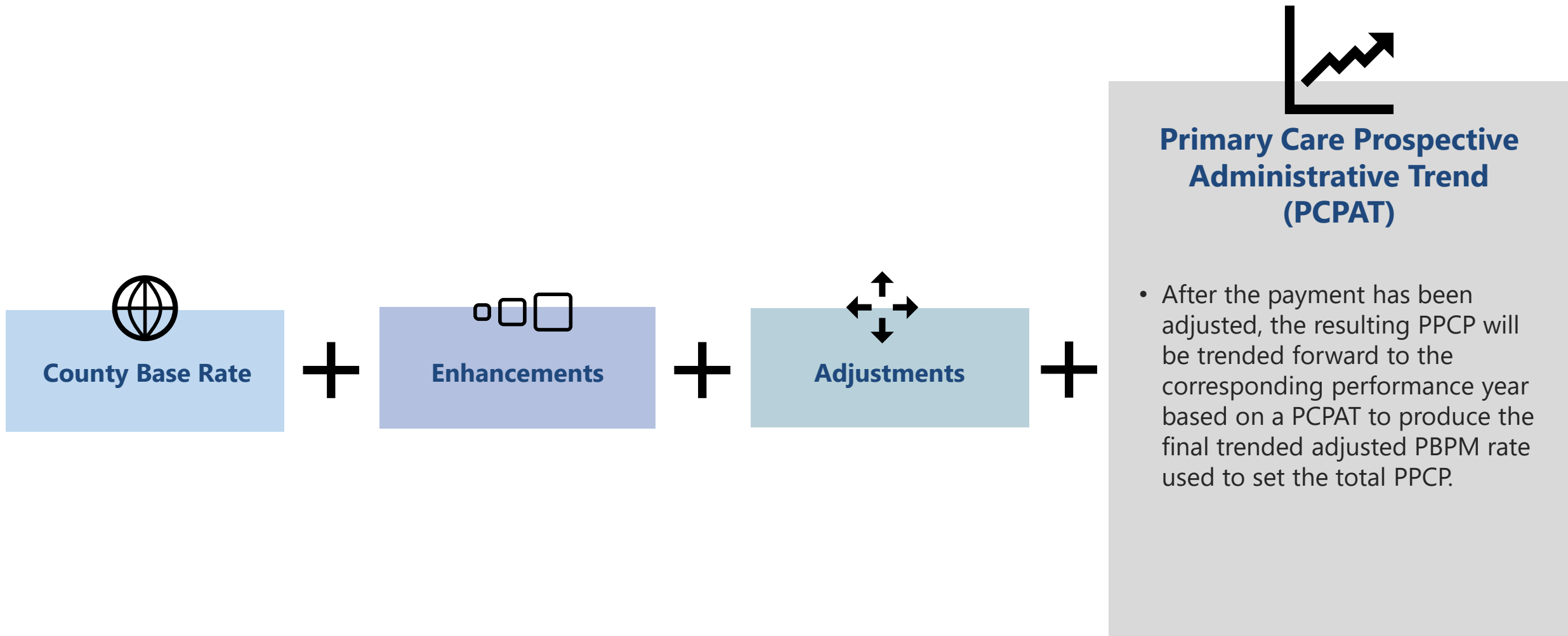
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Quality Strategy and Metrics

The ACO PC Flex Model will align with the existing Shared Savings Program quality reporting requirements and performance standards. The ACO PC Flex Model will include an additional measure of person-centeredness using the Person-Centered Primary Care Measure (PCPCM).



Person-Centered Primary Care Measure (PCPCM)

- Administered annually for all PC Flex ACOs
- Assesses whether participants are improving the patient experience and transforming care by focusing their attention, and associated resources, on high value aspects of primary care
- To reduce burden, CMS will fund and manage the administration of the PCPCM Survey. Results will be publicly reported
- Measure results are not included as part of the existing Shared Savings Program quality performance standard used to determine shared savings and shared losses
- To facilitate accurate and complete collection of the PCPCM, ACO participants may be asked to submit supportive information, e.g. patient roster data



Shared Savings Program Quality Reporting Requirements

Participants are still responsible for all quality measure reporting requirements under the Shared Savings Program

Health Equity

The ACO PC Flex Model seeks to address underserved communities that are underrepresented in ACO initiatives by increasing the participation of safety net providers in Shared Savings Program ACOs, which should align more underserved beneficiaries to ACOs.



Increase Participation of FQHCs and RHCs

ACO PC Flex aims to increase participation of FQHCs and RHCs in Shared Savings Program ACOs to align more underserved patients to ACOs and provide enhanced primary care to the populations which need it



Equity Promoting Payment Methodology

A regionally consistent rate for primary care spending corrects patterns of inappropriately low spending. The County Enhancement targets additional funding to counties with historically low levels of primary care spending, evidence of underuse of medical services, and socioeconomic disadvantage. Payment adjustments ensure dollars are allocated according to need.



Health Equity-Related Questions

Model application will score applicants for health equity experience to ensure that selected ACOs are well positioned to improve quality outcomes for all assigned beneficiaries

Application and Next Steps

Application Process and Timeline

Interested in ACO PC Flex? Follow these Next Steps.



Apply to the Medicare Shared Savings Program

Interested ACOs must apply to the Medicare Shared Savings Program by June 17, 2024 at 12:00 p.m. (noon) ET to be eligible for the model.



Sign up for the ACO PC Flex listserv

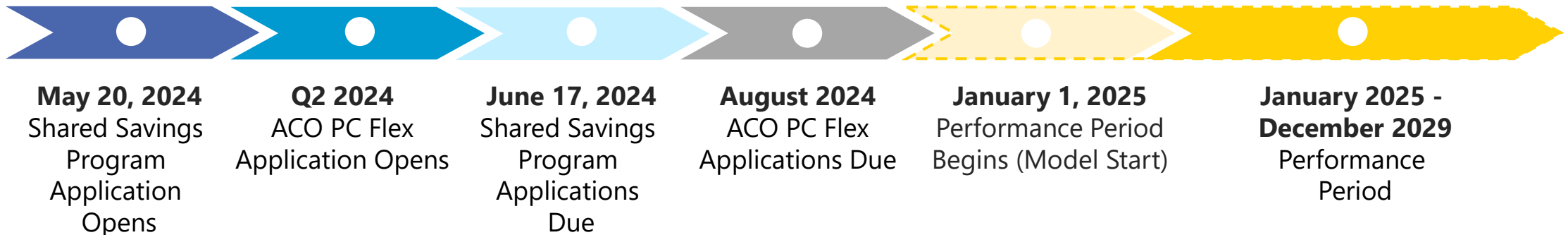
To stay up-to-date on RFA release and other events and resources, sign up for the ACO PC Flex listserv [here](#).



Prepare for Application

The ACO PC Flex RFA will be released in Spring 2024. Interested stakeholders can prepare for application by using the resources at the end of this presentation and submitting questions to the Model Mailbox (ACOPCFlex@cms.hhs.gov).

TIMELINE



Q&A

Question and Answer Session



Please **submit questions via the Q&A box at the bottom of your screen.**

You may also submit questions to the ACO PC Flex Model Team at
ACOPCFlex@cms.hhs.gov.



**Question
#1**

Could a practice join under the umbrella of an IPA or is the creation of an ACO required?

If selected, does every TIN in an ACO have to participate in claims reduction / advanced payment?
Or can some providers choose not to?



**Question
#2**

Will the one-time payment amount and prospective payments impact Shared Savings Program benchmarks?

How will the Enhanced Amounts be calculated?



**Question
#3**

Do ACOs need to select prospective assignment for the ACO PC Flex Model? Or can they select retrospective assignment?

Closing and Resources



**What topic(s) would you like to learn more about?
(Select all that apply)**

- a. RFA and Application Process
- b. ACO Eligibility Requirements
- c. Primary Care Investment Targets
- d. Medicaid Participation
- e. Model Overlap
- f. One-Time Advanced Shared Savings Payment
- g. Monthly Prospective Primary Care Payments
- h. Quality and Health Equity Strategies
- i. Other (please explain in the Q&A box)

Additional Information and Resources

More information about the ACO PC Flex Model application will be shared once it is available.



Visit our Website
[here](#)



Stay up-to date:
Join our Listserv [here](#)



Questions?
Contact Us at
ACOPCFlex@cms.hhs.gov



Review and Share the ACO
PC Flex Model Overview
Factsheet [here](#)

Stay tuned for upcoming events to learn more about the ACO PC Flex Model!

Thank you!

Thank you!



Thank you in advance for your review and feedback on our model! We appreciate your time and interest!

Please take the survey following this webinar so we can learn how to make our events better.

Do you have questions? Email your comments and feedback to ACOPCFlex@cms.hhs.gov with subject line ***ACO PC Flex Model Overview Webinar.***

Appendix

Sources

Primary Care Landscape (Slide 9):

1. Barnett, M. L., Bitton, A., Souza, J., & Landon, B. E. (2021). [Trends in Outpatient Care for Medicare Beneficiaries and Implications for Primary Care, 2000 to 2019](#). *Annals of internal medicine*, 174(12), 1658–1665. [published correction appears in Correction: [Trends in Outpatient Care for Medicare Beneficiaries and Implications for Primary Care, 2000 to 2019](#). (2022). *Annals of internal medicine*, 175(10), 1492.]
2. Basu, S., et al (2021). @, 174(7), 920–926.
3. Wallace, J., Lollo, A., Duchowny, K. A., Lavalley, M., & Ndumele, C. D. (2022). [Disparities in Health Care Spending and Utilization Among Black and White Medicaid Enrollees](#). *JAMA health forum*, 3(6), e221398. 3
4. Medicaid and CHIP Payment and Access Commission (MACPAC). (2021). [Medicaid’s Role in Health Care for American Indians and Alaska Natives](#). Washington, DC. 3
5. Larson EH, Andrilla CHA, Garberson LA. (2020). [Supply and distribution of the primary care workforce in rural America: a state-level analysis](#). WWAMI Rural Health Research Center, University of Washington.
6. Primary Care Collaborative. (2021). [QUICK COVID-19 PRIMARY CARE SURVEY SERIES 30](#) FIELDDED AUGUST 13-17, 2021.
7. Chronic Conditions among Medicare Beneficiaries. CMS Research and Statistics: Chartbook (2012 edition).
8. Ding, D., Glied, S. (2023, Jan). [Are Medicaid Patients Seen in Office-Based Practices Getting High-Quality Primary Care?](#) Commonwealth Fund.
9. <https://www.cms.gov/blog/cms-innovation-centers-strategy-support-high-quality-primary-care>