

Table: Comparison of One- and Two-Sided Performance-Based Risk Models by Track

	Track 1: One-Sided Risk Model		Tracks 2 and 3: Two-Sided Risk Models		
Issue	Performance Years ¹ 2012 – 2015	Performance Years ² 2016 - onward	Performance Years ¹ 2012 - 2015	Performance Years ² 2016 - onward	New Track 3 Performance Years ² 2016 - onward
Transition to Two-Sided Model	Transition to performance-risk requirements modified by June 2015 final rule ³	Eligible ACOs may continue under the one-sided model for their second agreement period ³	ACOs may elect Track 2 without completing a prior agreement period under a one-sided model. Once elected, ACOs cannot go into Track 1 for subsequent agreement periods	No change	Same as Track 2.
Assignment	Preliminary prospective assignment for reports; retrospective assignment for financial reconciliation	No change	Preliminary prospective assignment for reports; retrospective assignment for financial reconciliation	No change	Prospective assignment for reports, quality reporting and financial reconciliation
Benchmark Rebasing	Reset at the start of each agreement period.	Modifications to rebasing methodology ⁴ for an ACO's second or subsequent agreement period: equal weighting years, and including a per capita amount reflecting the ACO's financial and quality performance	Same as Track 1	Same as Track 1	Same as Tracks 1 and 2

¹ Policies established with the Medicare Shared Savings Program November 2011 final rule, 76 FR 67802, as codified at 42 CFR part 425.

² Shared Savings Program regulations as amended by the June 2015 final rule, 80 FR 32692.

³ The June 2015 final rule removed the requirement that ACOs participating under the one-sided model for their first agreement period must transition to a two-sided model for a second agreement period. Eligible ACOs may continue under the one-sided model for their second agreement period.

⁴ Changes finalized with June 2015 final rule, prior to the rebasing of the program's initial cohorts of participants.

	Track 1: One-Sided Risk Model		Tracks 2 and 3: Two-Sided Risk Models		
Issue	Performance Years ¹ 2012 – 2015	Performance Years ² 2016 - onward	Performance Years ¹ 2012 - 2015	Performance Years ² 2016 - onward	New Track 3 Performance Years ² 2016 - onward
		during prior agreement period			
Adjustments for health status and demographic changes	Historical benchmark expenditures adjusted based on CMS-HCC model. Updated historical benchmark adjusted relative to the risk profile of the performance year. Performance year: newly assigned beneficiaries adjusted using CMS-HCC model; continuously assigned beneficiaries adjusted using demographic factors alone unless CMS-HCC risk scores result in a lower risk score	No change	Same as Track 1	No change	Same as Tracks 1 and 2
Benchmark and Performance year Expenditures	Payment amounts included in Parts A and B FFS claims using a 3-month claims run out with a completion factor. (i) excluding IME and DSH payments.(ii) including individually beneficiary identifiable payments made under a demonstration, pilot or	No change	Same as Track 1	No change	Same as Tracks 1 and 2.

	Track 1: One-Sided Risk Model		Tracks 2 and 3: Two-Sided Risk Models		
Issue	Performance Years ¹ 2012 – 2015	Performance Years ² 2016 - onward	Performance Years ¹ 2012 - 2015	Performance Years ² 2016 - onward	New Track 3 Performance Years ² 2016 - onward
	time limited program				
Final Sharing Rate	Up to 50% based on quality performance	No change	Up to 60% based on quality performance	No change	Up to 75% based on quality performance
Minimum Savings Rate	2.0% to 3.9% depending on number of assigned beneficiaries	No change	Fixed 2.0%	Choice of symmetrical MSR/MLR: (i) no MSR/MLR; (ii) symmetrical MSR/MLR in 0.5% increment between 0.5% - 2.0%; (iii) symmetrical MSR/MLR to vary based upon number of assigned beneficiaries (as in Track 1)	Same as Track 2.
Minimum Loss Rate	Not applicable	No change	Fixed 2.0%	See options under MSR	See options under MSR
Performance Payment Limit	10%	No change	15%	No change	20%
Shared Savings	First dollar sharing once MSR is met or exceeded	No change	Same as Track 1	No change	Same as Tracks 1 and 2
Shared Loss Rate	Not applicable	No change	One minus final sharing rate applied to first dollar losses once minimum loss rate is met or exceeded; shared loss rate may not be less than 40% or exceed 60%	No change	One minus final sharing rate applied to first dollar losses once minimum loss rate is met or exceeded; shared loss rate may not be less than 40% or exceed 75%
Loss Sharing	Not applicable	No change	Limit on the amount of	No change	15%. Losses in excess

	Track 1: One-Sided Risk Model		Tracks 2 and 3: Two-Sided Risk Models		
Issue	Performance Years ¹ 2012 – 2015	Performance Years ² 2016 - onward	Performance Years ¹ 2012 - 2015	Performance Years ² 2016 - onward	New Track 3 Performance Years ² 2016 - onward
Limit			losses to be shared phases in over 3-years starting at 5% in year 1; 7.5% in year 2; and 10% in year 3 and any subsequent year. Losses in excess of the annual limit would not be shared		of the annual limit would not be shared
Payment and Program Rule Waivers under Part 425	Not applicable	No change	Not applicable	No change	ACOs may elect to apply for a waiver of the SNF 3-Day Rule ⁵

⁵ Applicable Performance Year 2017 and subsequent performance years.