

## **Medicare Shared Savings Program: Application Process and Overview of the Advance Payment Model**

**Moderator: Leah Nguyen**

**November 15, 2011**

**1:30 p.m. ET**

Podcast 3 of 4: Advance Payment Model

Leah Nguyen: Welcome to the third of four podcasts from the Medicare Shared Savings Program: Application Process and Overview of the Advance Payment Model Application National Provider Call. This educational call was hosted by the CMS Provider Communications Group within the Center for Medicare on Tuesday, November 15, 2011.

In this third podcast, Kelly Hall from the CMS Innovation Center discusses the Advance Payment Model, including eligibility requirements and the application process.

### **The Advance Payment Model**

Leah Nguyen: Thank you, Tricia. Our next presenter is Kelly Hall from the CMS Innovation Center, who will cover the Advance Payment Model.

Kelly Hall: Thank you, Leah. The Advance Payment Model is sponsored by the Center for Medicare & Medicaid Innovation. It is designed to test whether the prepayment of a portion of expected shared savings to ACOs participating in the Shared Savings Program will increase participation and enhance performance in the program, particularly by physician-based ACOs and ACOs that include rural hospitals.

The initiative was first announced in May 2011 when we asked for public comments, and those comments then shaped the model that was announced alongside the Shared Savings Program in October 2011.

Slide 30 begins the discussion of program details. (Please note that the information in this slide presentation is also available in the formal solicitation for the Advance Payment Model, which is available on the Innovation Center Web site.)

Participating ACOs, meaning ACOs that are participating in the Shared Savings Program and have also been selected to participate in the Advance Payment Model, will receive three types of payments: (1) an upfront fixed payment that will be the same for all ACOs participating in the model, (2) an upfront variable payment based on the number of Medicare beneficiaries attributed to that ACO, and (3) a monthly payment of varying size, again depending on the size of the ACO as determined by the number of attributed beneficiaries. CMS will recoup all advance payments through an ACO's earned shared savings at the end of the first performance period.

Slide 31 details the eligibility requirements for the model. The Advance Payment Model is only open to participants in the Shared Savings Program that come into the program on the April 1, 2012, start date or the July 1, 2012, start date. It is also only open to two types of organizations within the broader scope of the Shared Savings Program. The first type consists of organizations that do not include any inpatient facilities as ACO participants and have less than \$50 million in total annual revenue. The second type of organization that is eligible to participate consists of ACOs in which the only inpatient facilities are either Critical Access Hospitals or Medicare low-volume rural hospitals, and which have a total annual revenue of less than \$80 million.

Moving on to slide 32: Organizations must complete separate applications for the Shared Savings Program and the Advance Payment Model. The Advance Payment Model will not require a Notice of Intent or a CMS user ID. For ACOs that intend to enter the Shared Savings Program on April 1, 2012, applications will be accepted between January 1 and February 1, 2012. For ACOs intending to enter the Shared Savings Program July 1, 2012, applications will be accepted between March 1 and March 30, 2012.

We will release an application template for the Advance Payment Model later this fall, and then applications will be accepted online in the timeframe I just mentioned. When the application template is available, it will be posted on the Advance Payment Model website, which is on the Innovation Center website. If you'd like to be notified when that application template is available, you can sign up for the Innovation Center listserv, which is an option available to you on the Innovation Center website, [www.innovations.cms.gov](http://www.innovations.cms.gov).

I'm happy to take any questions about the process along with Tricia.

Leah Nguyen: Thank you for listening to this Medicare Shared Savings Program national provider education podcast. The information in this podcast was correct as of the date it was recorded. This podcast is not a legal document. Official Medicare program legal guidance is contained in the relevant statutes, regulations, and rulings.

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