## ACO Primary Care Flex Model

# PC FLEX PARTICIPANT MANAGEMENT

## Guidance Document

August 2026
Version 1

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# REVISION HISTORY

| Version | Date | Revision/ Change Description |
|---|---|---|
| 1.0 | August 2026 | Initial creation of the document. |
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# Table of Contents

# EXECUTIVE SUMMARY

The Accountable Care Organization Primary Care Flex Model (ACO PC Flex Model) modifies Original Medicare fee-for-service (FFS) reimbursement by introducing prospective, population-based payments for primary care within the Medicare Shared Savings Program. This document describes the processes by which the Prospective Primary Care Payment-Eligible Participant List (i.e., the PPCP-Eligible Participant List) is created, updated to reflect changes in eligibility, and used to support claims processing in alignment with the goals of the ACO PC Flex Model.

This document is not intended to supersede or replace regulatory requirements in the Code of Federal Regulations (CFR) under 42 CFR part 425, or the regulatory requirements in the ACO PC Flex Model Participation Agreement. The information provided in this document is intended to supplement and further explain both these regulatory texts. This document is subject to periodic change. Any substantive changes to this document will be noted in the revision history. This paper is intended to complement other model documentation. For additional information, please refer to the ACO Participant List and Participant Agreement Guidance Document and the ACO PC Flex Model Financial Methodology paper (**Table E-1**).

***Table E-1. Key Resources***

| Document Title | Link to Knowledge Library or Public Link |
|---|---|
| Financial Methodology: Rate Book Development, Calculation of Monthly Prospective Primary Care Payment, and Financial Settlement (Financial Paper) | https://www.cms.gov/priorities/innovation/files/aco-pc-flex-2026-fin-meth-ratebook-dev.pdf |
| Shared Savings and Losses, and Assignment, Methodology and Quality Performance Standard Specifications | https://www.cms.gov/medicare/payment/fee-for-service-providers/shared-savings-program-ssp-acos/guidance-regulations#Financial_and_Beneficiary_Assignment |
| Shared Savings Program ACO Participant List and Participant Agreement Guidance Document | https://www.cms.gov/medicare/medicare-fee-for-service-payment/sharedsavingsprogram/downloads/aco-participant-list-agreement.pdf |
| 42 CFR Part 425 — Medicare Shared Savings Program | https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-B/part-425 |

# 1. INTRODUCTION

## 1.1. Overview of the ACO Primary Care Flex Model

The Accountable Care Organization Primary Care Flex Model (ACO PC Flex Model) is a payment and delivery model that modifies Original Medicare fee-for-service (FFS) reimbursement for primary care by introducing prospective, population-based payments to the Medicare Shared Savings Program. The model is designed to support advanced primary care by shifting a portion of primary care financing away from FFS billing and toward predictable, prospective funding for attributed beneficiary populations. The ACO PC Flex Model operates within the Shared Savings Program, while adding specific eligibility, payment, and claims reduction processes. For further information on the goals of the ACO PC Flex Model, please refer to the Innovation Center ACO PC Flex Model website.

### 1.1.1. Overview of Payment Mechanisms

The Prospective Primary Care Payment (PPC Payment) is a prospective, monthly, population-based payment for primary care services that replaces Original FFS reimbursement for a defined set of services and beneficiaries within the ACO PC Flex Model. Under this model, Accountable Care Organizations (ACOs) receive prospective payments to support delivery of primary care services for beneficiaries. Monthly PPC Payments are made regardless of services furnished during the payment period. When PPC Payment (PPCP)-Eligible Providers or Suppliers furnish qualifying primary care services to PPCP-Eligible Beneficiaries, claims for those services are subject to a 100-percent fee reduction. Claims that do not meet eligibility criteria are reimbursed under Original Medicare FFS. Eligibility for claims fee reduction is determined at the ACO, provider, and beneficiary levels.

Claims processing uses the most current eligibility information available. Previously reduced claims may be reprocessed to be paid FFS if it is determined that eligibility criteria were not met for the applicable period. Detailed information on eligibility, fee reductions, and ACO responsibilities is provided in the Financial Methodology: Rate Book Development, Calculation of Monthly Prospective Primary Care Payment, Financial Settlement document, and the ACO PC Flex Model Participation Agreement.

# 2. PPCP-ELIGIBLE PARTICIPANT LIST

The Prospective Primary Care Payment–Eligible Participant List (hereafter PPCP-Eligible Participant List) is a list of the ACO Participants, providers, and suppliers that qualify for fee reductions under the ACO PC Flex Model. This list is also used to determine which beneficiaries are PPCP-eligible, because beneficiaries are only

considered PPCP-eligible when they both (1) are assigned to a PC Flex ACO and (2) receive the plurality of their primary care services from a PPCP-eligible provider or supplier.[1]

PPCP-eligible suppliers are primary care physicians and non-physician practitioners (NPPs) designated as Primary Care NPPs by the ACO (explained in more detail in Section 2.1.3.1 below). In professional claims, PPCP-eligible suppliers are identified using the ACO Participant and the supplier's individual National Provider Identifier (NPI).

PPCP-eligible providers include those whose outpatient facility claims may be used in Shared Savings Program beneficiary assignment governed by 42 CFR § 425.402, including Electing Teaching Amendment (ETA) hospitals, Method II Critical Access Hospitals (CAHs), Federally Qualified Health Centers (FQHCs), and Rural Health Clinics (RHCs). Although not used for beneficiary assignment under the Shared Savings Program, primary care services furnished by PPCP-eligible suppliers in the Hospital Outpatient Department (HOPD) of a short-term care hospital are also eligible for fee reduction.

In outpatient claims, CAHs, short-term care hospitals (or HOPDs), and ETA hospitals are identified on the PPCP-Eligible Participant List using their Centers for Medicare & Medicaid Services (CMS) Certification Number (CCN). Additionally, the individual NPI on the claim must be a PPCP-Eligible Supplier for the claim to be fee-reduced.

CMS treats a service reported on an FQHC or RHC claim as a primary care service performed by a primary care physician, according to 42 CFR § 425.404(b). Therefore, rather than individual NPI, claims submitted for FQHCs and RHCs are identified using the CCN and the organizational National Provider Identifier (oNPI).

Both the CCN and the NPI (whether individual or organizational) must match those recorded on the PPCP-Eligible Participant List for the claim to be eligible for fee reduction.

## 2.1. PPCP-Eligible Participant List Development

Development of the PPCP-Eligible Participant List integrates provider, supplier, enrollment, and historical claims information to identify ACO Participants and associated providers and suppliers that are eligible for PPCP fee reductions under the ACO PC Flex Model. Please see **Appendix A** for a process map depicting the PPCP-Eligible Participant List Development timeline.

[1] See the Financial Methodology: Rate Book Development, Calculation of Monthly Prospective Primary Care Payment document for information on beneficiary eligibility requirements.

The annual PPCP-Eligible Participant List update process consists of the following key steps:

1. The ACO Participant List is finalized.[2]
2. CMS identifies PPCP-Eligible ACO Participants and PPCP-Eligible Providers/Suppliers using the ACO Provider/Supplier List and claims data.
3. CMS provides the Proposed PPCP-Eligible Participant List to ACOs.
4. ACOs review the Proposed PPCP-Eligible Participant List. ACOs must
    a. add any additional PPCP-eligible Providers/Suppliers;
    b. provide care specialty designations for NPPs;
    c. certify the list as true, accurate, and complete; and
    d. confirm that a Fee Reduction Agreement will be in place by December 11, 2026 with all PPCP-eligible ACO Participants.
5. CMS validates any additions and produces the final PPCP-Eligible Participant List used for ACO PC Flex Model operations.

### 2.1.1. Proposed PPCP-Eligible Participant List

The Shared Savings Program ACO Participant List (hereafter ACO Participant List) serves as the foundation for identifying ACO Participants and their associated providers and suppliers for inclusion on the PPCP-Eligible Participant List. Detailed rules governing the creation, maintenance, and use of the ACO Participant List—including participant eligibility, provider and supplier associations, and change request processes—are described in the ACO Participant List and Participant Agreement Guidance Document.

The Proposed PPCP-Eligible Participant List includes any primary care providers (identified by CCNs) or suppliers (identified by NPIs) associated with an ACO Participant. These providers and suppliers are identified using the following two sources as of when the proposed version of the list is constructed, which is at the end of Phase 1 of the Shared Savings Program application cycle:

- The ACO Provider/Supplier List, which reflects providers and suppliers that have reassigned billing rights to the ACO Participant Taxpayer Identification Number (TIN) in the Provider Enrollment, Chain, and Ownership System (PECOS).

[2] See Guidance for Updating the Proposed Updated PPCP-Eligible Participant List document for more information.

- Claims data, which are used to identify providers and suppliers that have billed for primary care services through an ACO Participant TIN or associated CCN.[3]

The Proposed Updated PPCP-Eligible Participant List includes ACO Providers that are FQHCs, RHCs, CAHs, ETA hospitals, and HOPDs at short-term care hospitals, as well as ACO Suppliers that are identified as primary care physicians or NPPs in either the Provider/Supplier List or claims data. This multi-source approach is intended to ensure that the Proposed PPCP-Eligible Participant List captures all providers and suppliers associated with a PC Flex ACO that bill Medicare for primary care services. ACOs then have a chance to review and supplement the list prior to finalization.

### 2.1.2. Components of the Proposed PPCP-Eligible Participant List

#### *2.1.2.1. Inclusion of Hospital Outpatient Departments*

Although services provided in HOPDs are not treated as primary care for the purpose of beneficiary assignment under the Shared Savings Program, they are included in ACO PC Flex Model operations when they are associated with a PC Flex ACO Participant TIN and have billed a qualifying primary care service. The inclusion of HOPDs on the PPCP-Eligible Participant List ensures that claims billed for primary care services furnished in outpatient hospital settings by a PPCP-Eligible Supplier are subject to fee reductions.

#### *2.1.2.2. oNPI Crosswalk*

All qualifying claims from FQHCs and RHCs are subject to fee reduction. These claims are identified using both the CCNs and the oNPIs included in the Proposed PPCP-Eligible Participant List oNPI crosswalk. The oNPI crosswalk is constructed using PECOS data and included within the Proposed PPCP-Eligible Participant List provided to ACOs. ACOs are given the opportunity to add missing FQHC and RHC oNPIs during the review process, if necessary.

#### *2.1.2.3. Sole Proprietors*

For sole proprietors, both the social security number (SSN) and the employer identification number (EIN) for the ACO Participant are included on the PPCP-Eligible Participant List. Any NPIs associated with either the sole proprietor's SSN or EIN are therefore associated with both in order to preserve linked TIN relationships and ensure that claims are accurately captured regardless of the TIN used to bill Medicare.

[3] See Appendix B in the Financial Methodology: Rate Book Development, Calculation of Monthly Prospective Primary Care Payment and the Financial Settlement Document for information on primary care claims expenditure codes.

#### *2.1.2.4. Exclusions*

Note that any providers receiving Periodic Interim Payments (PIP) are not permitted to participate in the ACO PC Flex Model, so will not be included on the PPCP-Eligible Participant List.

Additionally, any ACO Participants or providers violating the overlap rules described in Section 4 of this document will not be included in the PPCP-Eligible Participant List.

### 2.1.3. ACO Review Process

CMS provides each ACO with a Proposed PPCP-Eligible Participant List through the ACO Management System (ACO-MS) for review as part of the annual participant list management cycle. Upon receipt of the proposed list, ACOs are responsible for reviewing the PPCP-Eligible Participant List and ensuring that it is accurate and complete.

#### *2.1.3.1. Designating NPP Specialty*

The PPCP-Eligible Participant List includes primary care physicians, as identified in PECOS or by using the PECOS specialty code in claims data.[4] Specialty care physicians are not included, unless they carry a dual specialty and also provide primary care. Because it is not possible to distinguish with PECOS or claims data whether an NPP primarily provides primary care or specialty care services, the ACO must designate each NPP as a Primary Care NPP or a Specialty Care NPP.[5]

#### *2.1.3.2. Adding PPCP-Eligible Suppliers*

The ACO should add any suppliers that are not present on the PPCP-Eligible Participant List and are expected to bill under a PPCP-Eligible ACO Participant TIN or CCN, except for FQHCs and RHCs. This may include primary care physicians and NPPs whose billing rights were not yet reassigned in PECOS and who had not yet submitted primary care claims when the Proposed PPCP-Eligible Participant List was created.

ACOs should not add specialist physicians to the Proposed PPCP-Eligible Participant List. PPCP eligibility is limited to providers and suppliers that bill Medicare for primary care services and have an allowed primary care specialty designation as defined for the ACO PC Flex Model. Specialist physicians, even when affiliated with an ACO

[4] See Appendix C in the Financial Methodology: Rate Book Development, Calculation of Monthly Prospective Primary Care Payment, and Financial Settlement document for information on the Primary Care Physician Specialty Codes.
[5] See Appendix C in the Financial Methodology: Rate Book Development, Calculation of Monthly Prospective Primary Care Payment, and Financial Settlement document for information on the NPP Specialty Codes.

Participant TIN, are not eligible for PPC Payment fee reductions and should not be added during the ACO review process. Dual specialty physicians, who are listed in PECOS as practicing both primary care and specialty care, are eligible for PPC Payment fee reductions and should be added to the Proposed PPCP-Eligible Participant List.

#### *2.1.3.3. Adding oNPIs*

The ACO should review the oNPIs associated with their FQHCs and RHCs on the Proposed PPCP-Eligible Participant List. The ACO should add any additional oNPIs that are not included on the Proposed PPCP-Eligible Participant List. The oNPI–CCN relationship is not one-to-one. In order to properly account for all possible oNPI–CCN relationships, it is essential that each ACO adds all combinations of oNPI–CCN associations to the Proposed PPCP-Eligible Participant List.

#### *2.1.3.4. Submitting the Proposed Updated PPCP-Eligible Participant List*

After review and revision, the ACO should submit the Proposed Updated PPCP-Eligible Participant List, along with other required documentation, via the PC Flex File Exchange in ACO-MS. The ACO must ensure they have or will have a written and executed Fee Reduction Agreement with every ACO Participant on the PPCP-Eligible Participant List by December 11, 2026 at the latest.

Following submission, CMS conducts additional validation to confirm that newly added providers and suppliers meet PPCP eligibility requirements.

Detailed guidance on the ACO review of the Proposed PPCP-Eligible Participant List, including instructions on updating oNPIs and NPP designations, is provided in the annual Guidance for Updating the Proposed Updated PPCP-Eligible Participant List document.

## 2.2. Final PPCP-Eligible Participant List

Following ACO review and CMS validation, CMS produces the final PPCP-Eligible Participant List for the applicable performance year. This final list reflects revisions submitted by the ACO, including NPP designations and approved additions, and incorporates CMS eligibility and model overlap checks. It includes PPCP-eligible participants, providers, and suppliers, identified by their unique Medicare-enrolled billing TINs, CCNs, and individual NPIs, respectively. It does not include oNPIs because these are not unique identifiers for PPCP-Eligible Providers and Suppliers.

The final PPCP-Eligible Participant List is sent to the ACO for reference and is used to identify PPCP-eligible participants, providers, and suppliers under the ACO PC Flex Model. CMS uses this final list for downstream payment and claims processing activities, subject to subsequent participant list changes such as TIN deletions.

The final PPCP-Eligible Participant List is used to calculate several key model components, including the following:

- Primary care delivered outside of an ACO (PCOA)
- PPC Payments
- Repayment Mechanism

Detailed descriptions of how these amounts are calculated are addressed in the Financial Methodology document.

#### 2.2.1. Supplemental oNPI Crosswalk

CMS provides a supplemental oNPI crosswalk to ACOs along with the final PPCP-Eligible Participant List. This supplemental crosswalk contains oNPIs for all ACO Participant TINs and CCNs associated with a PC Flex ACO and is provided as a courtesy for informational purposes only. Only oNPIs included in the Proposed Updated PPCP-Eligible Participant List are used to identify FQHC and RHC claims for fee reduction.

# 3. CHANGES TO THE PPCP-ELIGIBLE PARTICIPANT LIST

## 3.1. ACO Participant TIN Terminations

An ACO may remove an ACO Participant TIN from the PPCP-Eligible Participant List during the performance year by deleting them from the ACO Participant List in ACO-MS, consistent with Sections 4.01.D and 4.03.A.1.c of the ACO PC Flex Model Participation Agreement. Details on how to add or delete ACO Participant TINs can be found in the ACO Participant Change Requests in ACO-MS document. If an ACO Participant TIN is deleted from the ACO Participant List, all associated providers and suppliers on the PPCP-Eligible Participant List become PPCP-ineligible. Claims billed during periods when a TIN is no longer PPCP-eligible are paid under traditional Medicare FFS rules, and previously fee-reduced claims may be reprocessed accordingly.

Such deletions only impact participation in the ACO PC Flex Model. CMS does not make adjustments during the performance year to the ACO's Shared Savings Program assignment, historical benchmark, financial calculations, quality reporting sample, or the obligation of the ACO to report on behalf of eligible professionals that bill under the TIN of an ACO Participant for certain CMS quality initiatives to reflect the deletion of ACO Participants during the performance year. More information on how ACO Participant

changes can affect your ACO's overall participation are described in the ACO Participant List and Participant Agreement Guidance Document, Section 5.

Shared Savings Program beneficiary assignment will not be affected if an ACO Participant is deleted during the performance year, but beneficiaries receiving services from a deleted ACO Participant will be PPCP-ineligible for the purposes of the ACO PC Flex Model. This will be reflected in future Monthly Payment Reports.

### 3.1.1. ACO Participant TIN Deletion Timing

If an ACO selects a Participant Agreement End Date of December 31 of the performance year, the ACO Participant and associated ACO providers and suppliers will remain on the PPCP-Eligible Participant List for the remainder of the performance year. If the ACO selects an earlier Participant Agreement end date, removal from the PPCP-Eligible Participant List shall be retroactively effective on the first day of the month of the Participant Agreement end date, unless that Participant Agreement end date is the last day of the month, in which case it shall be effective on the first day of the month after the Participant Agreement end date. See **Table 1** for specific dates.

***Table 1. Example of Participant Agreement End Dates and Removals***

| Participant Agreement End Date Entered in ACO-MS | Removal Effective as Of |
|---|---|
| December 31, 2026 | January 1, 2027 |
| January 10, 2027 | January 1, 2027 |
| January 31, 2027 | February 1, 2027 |
| February 5, 2027 | February 1, 2027 |

To minimize unnecessary claims reprocessing, TIN deletions must be submitted no later than the second Friday of the month for the removal to be reflected in claims processing for the following month. Deletions submitted after this deadline may result in claims being initially fee-reduced for an additional month, then later reprocessed to be paid FFS.

# 4. MODEL OVERLAP

## 4.1. Rules for Model Overlap

Per 42 CFR § 425.114(a), ACOs may not participate in the Shared Savings Program if they include an ACO Participant that participates in a model tested or expanded under Section 1115A of the Act that involves shared savings, or any other Medicare initiative that involves shared savings. This is referred to as model overlap. Because the ACO

PC Flex Model operates within the Shared Savings Program, any overlap restrictions that apply under the Shared Savings Program also apply to the ACO PC Flex Model.[6]

The ACO PC Flex Model also has additional model-specific overlap restrictions.

Although Shared Savings Program ACO Participants may otherwise participate in the Achieving Healthcare Efficiency through Accountable Design (AHEAD) Model, there are some restrictions when the ACO is also participating in the ACO PC Flex Model. Overlap between the AHEAD State Total Cost of Care (TCOC) component and the ACO PC Flex Model are permitted for ACO Participants. However, overlap is not permitted for ACO Participants or providers that are also participating in the Hospital Global Budget (HGB), Primary Care, or Geo components of AHEAD.[7] In the case of an ACO Participant or provider participating in one of these components and the ACO PC Flex Model, the ACO Participant or provider will need to withdraw from AHEAD participation. ACO PC Flex participation will not be affected.

An overview of model overlap rules for ACO Participants and providers is provided in **Appendix B**. For information about beneficiary overlap rules, please refer to the ACO PC Flex Financial Methodology: Rate Book Development, Calculation of Monthly Prospective Primary Care Payment, and Financial Settlement document.

# 5. CHANGE OF OWNERSHIP

When an ACO Participant TIN undergoes a change of ownership (CHOW) during the performance year and the newly enrolled TIN is added to the ACO Participant List, the TIN is also added to the PPCP-Eligible Participant List.[8] Applicable providers and suppliers associated with the prior TIN on the PPCP-Eligible Participant List are then added to the PPCP-Eligible Participant List to be associated with the CHOW TIN to ensure continuity in fee reductions. CMS will provide additional information, issue a supplemental PPCP-Eligible Participant List reflecting these CHOW associations, and request that the ACO re-certify their PPCP-Eligible Participant List to confirm the changes.

Because PPCP-Eligible Providers and Suppliers are identified prior to the start of the performance year, no additional providers or suppliers associated with the CHOW TIN are added to the PPCP-Eligible Participant List beyond those already associated with the prior TIN on the PPCP-Eligible Participant List.

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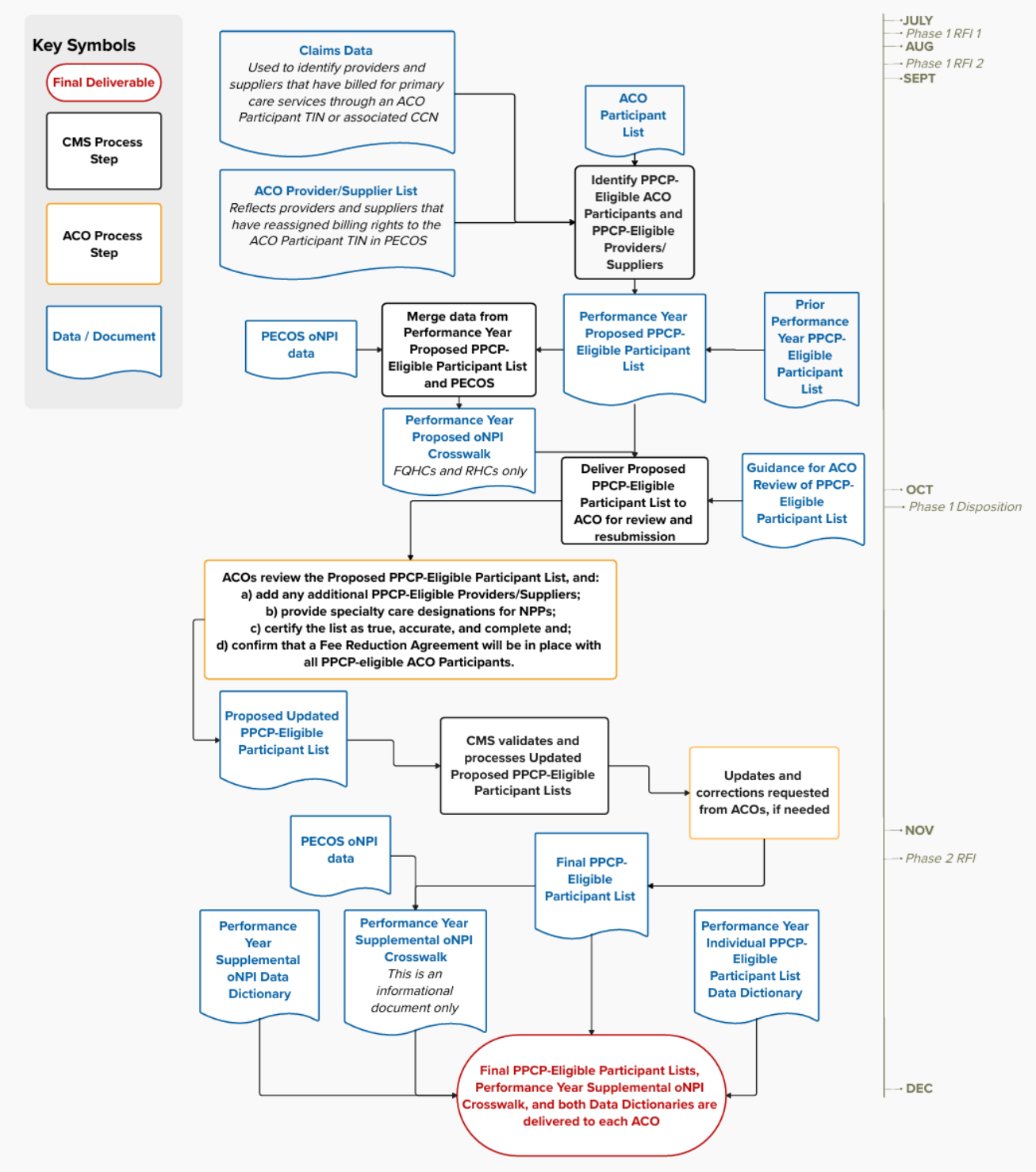
[6] Please see the ACO Participant List and Participant Agreement Guidance Document for more information on policies governing ACO Participant overlaps in the Shared Savings Program.
[7] Geo Participants, at the TIN level, are not permitted to participate in the ACO PC Flex Model but Geo Entities, at the TIN level, and Geo Affiliates may participate in the ACO PC Flex Model.
[8] Please see the ACO Participant List and Participant Agreement Guidance Document for more information on policies governing TIN CHOW.

If an ACO deletes either the prior TIN or the CHOW TIN during the performance year, all providers and suppliers associated with both TINs become PPCP-ineligible, and associated beneficiaries lose PPCP eligibility. This treatment differs from Shared Savings Program operations and reflects model-specific rules for PPCP eligibility under the ACO PC Flex Model.

# Appendix A. PPCP-Eligible Participant List Process Map



# Appendix B. ACO PC Flex Model Provider Overlap Rules

| Shared Savings Initiative or Model | Medicare Shared Savings Program Overlaps Allowed | ACO PC Flex Overlaps Allowed |
|---|---|---|
| **ACO REACH Model*** | No | No |
| **Advancing Chronic Care with Effective, Scalable Solutions Model (ACCESS)** | Yes | Yes |
| **AHEAD Model: State Total Cost of Care (TCOC)** | Yes | Yes |
| **AHEAD Model: Hospital Global Budget (HGB)** | Yes | No |
| **AHEAD Model: PC AHEAD** | Yes | No |
| **AHEAD Model: Geo AHEAD** | Yes | No |
| **Ambulatory Specialty Model (ASM)** | Yes | Yes |
| **Comprehensive Kidney Care Contracting (CKCC)** | No | No |
| **Enhancing Oncology Model (EOM)** | Yes | Yes |
| **Guiding an Improved Dementia Experience (GUIDE) Model** | Yes | Yes |
| **Increasing Organ Transplant Access (IOTA) Model** | Yes | Yes |
| **Long-term Enhanced ACO Design Model (LEAD)** | No | No |
| **Transforming Episodic Accountability Model (TEAM)** | Yes | Yes |

** The ACO REACH Model ends in 2026. Information retained for reference.*