Achieving Healthcare Efficiency through Accountable Design (AHEAD) Model

August 2026

Geo AHEAD Specification Preview: Payment Approaches

This is the third in a four-part series previewing aspects of Geo AHEAD's design. Methodology will be further detailed in the specifications released Summer 2026. Please refer to the Geo AHEAD Fact Sheet for an overview of the program.

AHEAD Model

The Achieving Healthcare Efficiency through Accountable Design (AHEAD) Model is a Centers for Medicare & Medicaid Services (CMS) ***voluntary, state-based alternative payment and service delivery model*** *designed to curb health care cost growth, focusing on care coordination, prevention, patient empowerment, and increased choice and competition.*

Geo AHEAD Overview

Geo AHEAD is a ***geographically-based accountable care organization (ACO) program*** *where geographic risk-bearing entities called "****Geo Entities****" assume responsibility for total cost of care (TCOC) and improved outcomes for attributed Original Medicare beneficiaries in a geographic area. Geo AHEAD elevates the impact of Primary Care (PC) AHEAD and Hospital Global Budget (HGB) across the entire AHEAD population, incentivizing a* ***focus on quality rather than volume*** *with collaboration on the shared model goals of coordinated care, improved patient outcomes, and sustainable cost management.*

What's Included

This resource provides information on Geo AHEAD Payments and Shared Savings and is organized into the following subsections.

What are the Payment Approaches in Geo AHEAD?

CMS funds Geo Entities through multiple mechanisms, including PC capitation (replacing traditional Medicare fee-for-service); Enhanced Primary Care Payments (EPCP) for care management; and shared savings based on TCOC performance against a CMS-established benchmark. These payment approaches align with PC AHEAD and HGB AHEAD, reinforcing a focus on quality over volume and supporting coordinated care, improved patient outcomes, and sustainable cost management.

Shared Savings Opportunity

Geo Entities whose performance year TCOC is below their discounted TCOC Benchmark, and meet quality goals, may retain a portion of the savings.

Primary Care Cash Flow

Geo AHEAD provides PC capitation and EPCP to Geo Entities to create opportunities for Geo Entities and Geo Participants to coordinate care more creatively and comprehensively.

Coordinated Approaches

Geo AHEAD TCOC includes HGB AHEAD payments for hospitals participating in both programs, amplifying the value of coordinated efforts between hospitals and Geo Entities.[1]

Quality Alignment

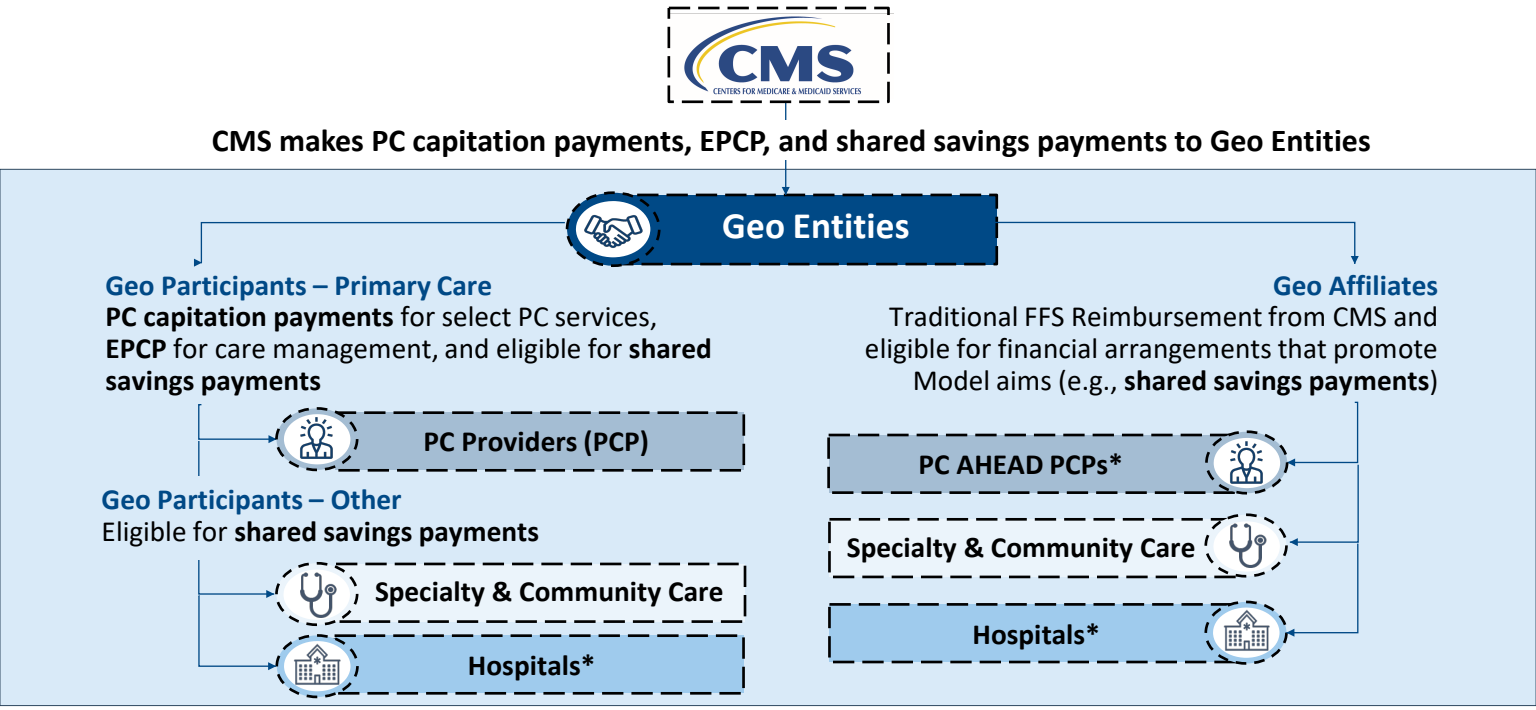
Geo AHEAD quality measures align with HGB and PC AHEAD measures to promote collaboration toward shared goals and ensure payments are tied to improvements in patient outcomes.

Note. *This resource is accurate as of the date of publication; program details may change at the direction of CMS and will be finalized in the model methodology specifications and corresponding participation agreements.*

1. For more details on the payment overlaps, please see the Geo AHEAD Overlaps Fact Sheet.

Geo AHEAD Funding Streams

CMS makes payments to Geo Entities through both prospective payments and retrospective payments, to support and reinforce cost containment, quality improvement, and coordinated care. Prospective PC capitation payments and EPCP are based on voluntary and claims-based attributed beneficiaries.[2] Retrospective shared savings payments are determined based on performance and experience of all Geo Entity attributed beneficiaries (voluntary, claims-based, and geographic). Geo Entities distribute funds per negotiated financial arrangements.



Note: Geo Participants and Geo Affiliates receive different categories of payments directly from Geo Entities.
**HGB AHEAD hospitals can join as either Geo Participants or Geo Affiliates, and PC AHEAD PCPs can join Geo Entities as Geo Affiliates. They will receive their respective AHEAD HGB or EPCP/PC capitation directly from CMS.*

Description of Medicare-enrolled provider, supplier, and organization participation pathways	
Geo Participants	**Pathway:** Has a Medicare-enrolled billing TIN with one or more providers/suppliers who bill Medicare **Relationship to Geo Entity:** Must have a financial arrangement with only one Geo Entity **Attribution Role:** Contributes to claims-based attribution and geographic attribution **Payment Eligibility:** Are accountable for financial and performance risk, PC providers must participate in PC capitation and EPCP, may access certain benefit enhancements (BE), (e.g., SNF 3-day waiver), and may receive shared savings
Geo Affiliates	**Pathway:** Has a Medicare-enrolled billing TIN with one or more providers/suppliers who bill Medicare **Relationship to Geo Entity:** May have a financial arrangement with one or more Geo Entities **Attribution Role:** Will NOT contribute to claims-based attribution, but will contribute to geographic attribution **Payment Eligibility:** Are NOT responsible for reporting quality to the Geo Entity unless otherwise specified in the financial arrangement, should support Geo Entity goals (e.g., quality), may access certain BEs, and may receive value-based payments through a contract with the Geo Entity.

Hospital-owned PC practices may serve as Geo Affiliates, regardless of their hospital's HGB status, but for hospital-owned PC practices to be Geo Participants, their hospital must be under a HGB.[3]

2. For more details on voluntary, claims-based, and geographic attribution, see the Specification Preview: Geo Attribution resource.
3. For more details on Geo Participants and Geo Affiliates please review the Specification Preview: Geo Entity and Bidding Process resource.

Primary Care Capitation and Enhanced Primary Care Payments

Geo AHEAD's PC payment strategy for Geo Participants includes two components: **Primary Care (PC) Capitation** and **Enhanced Primary Care Payments (EPCP).**

Payment	Description	Payment Timing	Operational Considerations
Primary Care Capitation	Geo Entities receive prospective, capitated payments for select PC services furnished by Geo Participants to voluntary and claims-based attributed beneficiaries in lieu of FFS payments for those services.	PC capitated payments will be made monthly and prospectively updated quarterly based on changes in attribution and participation.	PC capitated payments will be based on historical PC utilization trends or alternative capitation methods for providers with limited history. Geo Entities will distribute payments to Geo Participants as negotiated in financial arrangements.
EPCP	Geo Entities receive a prospective EPCP, similar to a care management fee, that replaces and augments select chronic care management services for voluntary and claims-based aligned beneficiaries.	EPCP is a per beneficiary per month (PBPM) payment that will be made quarterly.	Geo Entities may choose to use a portion of EPCP payments to support care management tools and services and to advance health care system care transformation efforts.

Geo Entities do not receive PC capitation or EPCP for geographically attributed beneficiaries and may choose one or more approaches to support this population.

1. **Geo Entities without broad delivery systems may enroll their organizations as Medicare Part B suppliers to enable voluntary attribution** using the organizations' TIN.[4]
2. **Geo Entities may, and are encouraged to, engage geographically attributed beneficiaries so that they elect to be attributed to the Geo Entity through either voluntary or claims-based attribution**. PC capitation and EPCP amounts are updated quarterly to reflect changes in attribution resulting from new care relationships. Geo Entities distribute PC capitation and EPCP payments to Geo Participants pursuant to negotiated financial arrangements. PC capitation and EPCP largely align with the PC AHEAD Full PC Capitation Pathway but are not subject to quality performance-based adjustments, as quality risk is incorporated into shared savings (see page 4).
3. **Geo Entities, especially those without broad care delivery systems, may focus on achieving shared savings for geographically attributed beneficiaries**, through cost-efficient care coordination platforms that inform beneficiaries of lower-cost/higher-quality care options and assist with lifestyle changes.

Geo Affiliates who also participate in PC AHEAD will receive PC capitation and EPCP through PC AHEAD implementation (i.e., not through the Geo Entity).[5] Overlapping PC and care management services with capitation and EPCP will be processed as no-pay claims. The full list of services included in PC capitated payments and EPCP will be included in the Geo AHEAD specifications and Participation Agreements (PA).

4. See the Advancing Chronic Care with Effective, Scalable Solutions (ACCESS) Request for Applications (www.cms.gov/priorities/innovation/files/access-rfa.pdf) for examples of how a CMMI Model Participant may enroll as a Medicare Part B Supplier to enable voluntary attribution.
5. PC AHEAD providers, as identified by their Taxpayer Identification Number (TIN), **may not** participate in Geo AHEAD as Geo Participants to avoid duplicative capitated payments. However, they may participate as a Geo Affiliate. Review the Specification Preview: Geo Entity and Bidding Process resource for additional details.

Shared Savings/Losses

Geo Entities assume responsibility for TCOC risk and improved outcomes for attributed Original Medicare beneficiaries in their service area via geographic attribution, or statewide via claims-based and voluntary attribution.[6] Geo Entities that outperform their TCOC Benchmark, including the discount factor from their application bid, and meet quality goals may retain a share of savings, while those above the spending targets will owe shared losses.[7] Shared savings/losses amounts are subject to a quality adjustment that may reduce payments if quality thresholds are not met.

Shared savings/losses amounts are calculated as:

$$\textbf{\textit{Shared Savings or Losses}} = [(\textbf{\textit{TCOC Benchmark}}\ x\ (1 - \textbf{\textit{Discount Factor}}) - \textbf{\textit{Actual PY TCOC}})]\ x\ \textbf{\textit{Quality Adjustment Factor}}$$

Geo Entity TCOC Benchmark and Discount Factor

The TCOC Benchmark is a prospectively set Medicare spending target based on historical expenditures, adjusted for national and regional growth as well as risk and non-risk related factors. CMS determines Geo Entity TCOC benchmarks before each performance year.[8] As part of the Geo AHEAD application, Geo Entities bid a percent discount to their benchmark or elect a single flat discount for the contract period, which is applied to reduce the benchmark for shared savings calculations.

Performance Year TCOC Expenditures

Medicare spending for attributed beneficiaries will be included in TCOC to determine performance year shared savings/losses. This includes PC AHEAD capitation, HGB AHEAD payments, and other model FFS and non-claims-based payments (NCBP) for beneficiaries attributed to other models, consistent with model overlap policies.[9] EPCP is excluded from TCOC for shared savings/losses calculations to align with its treatment in other TCOC models. HGB AHEAD payments will be scaled by the share of services delivered to attributed beneficiaries, aligning incentives between Geo Entities and HGB hospitals and ensuring the full HGB value is included in TCOC.

Quality Adjustment Factor

To promote positive beneficiary outcomes and improve or maintain high quality care, shared savings/ losses are adjusted by a quality adjustment factor, reducing savings or worsening losses if quality thresholds are not met. This approach helps ensure that cost management does not compromise access to appropriate care. The quality adjustment factor is a scaling factor between 0.0 and 1.0 determined by the Geo Entity's composite quality score (see pages 6-7).

6. Service area is the entire state or substate division that the Geo Entity is awarded for purposes of determining geographic attribution. Geo Entities must be prepared to accept voluntary and claims-based attributed beneficiaries from every location in the state/substate region. See the Specification Preview: Geo Entity and Bidding Process resource for more detail.
7. Geo Entities will set their bid (discount factor) as part of their Geo AHEAD application and more information is included in the Specification Preview: Geo Entity and Bidding Process resource and will be provided in the Geo AHEAD Specifications.
8. More details on the Geo AHEAD TCOC Benchmark methodology will be included in the Geo AHEAD Specifications.
9. Expenditures included in TCOC for shared savings/losses will be described in detail in the Geo AHEAD Specifications. Please refer to the Geo AHEAD Overlaps Fact Sheet for more considerations related to the AHEAD overlaps policies.

Shared Savings/Losses

Shared Savings Calculation Example

The example below illustrates how shared savings/losses would be calculated for a fictitious Geo Entity.

Sunshine Inc. is a Geo Entity covering the entire AHEAD state. As part of their application, they bid a 3.5% discount for performance year 1 and a 4% discount for performance years 2-4. Their performance year 1 prospectively set TCOC Benchmark was $1.4 billion. During the performance year Sunshine Inc. had $1.33 billion in TCOC and attained a quality adjustment factor of 0.75, achieving above the minimum threshold on all quality measures.

Sunshine Inc.'s Shared Savings/Losses Calculation:

$$\textbf{\textit{Performance Year 1 Shared Savings/Losses}} = [(\$1,400,000,000 \ x \ (1 - 0.035) - \$1,340,000,000)] \ x \ 0.75$$

This results in a performance year 1 shared savings of $15,750,000 for Sunshine Inc.

Shared Savings/Losses Guardrails

Risk Corridor Guardrail

Consistent with other CMS ACO models, shared savings/losses will be subject to risk corridors, which share risk between CMS and Geo Entities. Small savings or losses are fully the responsibility of the Geo Entity; as shared savings/losses grow, CMS absorbs a larger financial share to protect participants against extreme outcomes. CMS may offer different risk corridors based on Geo Entity factors (e.g., provider-led, new risk bearing entity) and may revise risk corridors for the second contract period.[10]

Risk Corridor Example

Using the example above of Sunshine Inc., the shared savings for performance year 1 of $3 million, is 0.21% of their TCOC Benchmark. For this example, the Geo Entity is responsible for 100% of the shared savings/losses if the shared savings/losses are between 0% and 5% of the Geo Entity's TCOC Benchmark. This means, Sunshine Inc. would retain 100% of the savings (the full $3 million) since their shared savings as a percent of their TCOC Benchmark fell within the 0-5% range.

10. More information on risk corridors will be included in the Geo AHEAD Specifications and in the Geo Entity Participation Agreements.

Incorporating Other AHEAD Components into Geo AHEAD

PC AHEAD capitation and HGB payments for Geo attributed beneficiaries are included in a Geo Entity's TCOC for shared savings/losses calculation, while EPCP is excluded, consistent with its treatment in other TCOC models. The sections below illustrate how PC AHEAD and HGB payments are incorporated into TCOC for these calculations. Other payments included in TCOC, including those for other CMS models, will be detailed in the Geo AHEAD Specifications and the Geo Entity Request for Application (RFA).

AHEAD Primary Care Capitation

Providers receiving PC capitation will continue to submit FFS claims consistent with their care delivery model for the PC services covered by capitation, as appropriate. Medicare FFS claims will be reduced by 100% (or 50% for PC AHEAD participants who elect partial capitation) when capitation covered PC services are provided to PC AHEAD or Geo AHEAD attributed beneficiaries. PC capitation payments, together with any paid claim amounts, are included for attributed beneficiaries in the Geo Entity's TCOC for purposes of calculating shared savings/losses. The following demonstrates this calculation for a fictitious Geo Entity.

AHEAD Primary Care Capitation Example

Geo Entity, Sunshine Inc., has 250 geographically attributed beneficiaries who receive PC services at **Aurora Primary Care.** These beneficiaries are also claims-based attributed to Aurora as part of PC AHEAD and their PC services are covered by full PC capitation. During the performance year, PC capitation (non-claims based) payments for these beneficiaries totaled $100,000 and an additional $25,000 was paid for services not included in PC capitation. Sunshine Inc.'s TCOC for purposes of shared savings/losses is calculated as:

$$\textit{Aurora Contribution to Sunshine Inc.'s TCOC} = \$100,000 + \$25,000 = \$125,000$$

AHEAD Hospital Global Budget

Hospitals receiving HGB payments will continue to submit FFS claims for services covered by the global budget; these are processed as no-pay claims, as hospitals receive biweekly HGB payments as non-claims-based payments. To align incentives between Geo Entities and HGB hospitals and ensure the full value of HGB payments is reflected in TCOC, payments are scaled by the share of no-pay claims for Geo-attributed beneficiaries when calculating shared savings/losses. The example below illustrates HGB scaling for a fictitious Geo Entity.

Hospital Global Budget Example

Geo Entity, Sunshine Inc., has 500 attributed beneficiaries who receive care at **Starlight Hospital** during the performance year, resulting in $1.2 million in expenditures reflected through no-pay claims. Starlight Hospital's annual HGB totals $40 million, and the hospital generated $38.75 million in no-pay HGB claims during the year. The portion of Starlight Hospital's HGB included in Sunshine Inc.'s TCOC for purposes of shared savings/losses is calculated as follows:

$$\textbf{Starlight Hospital}'\textit{s HGB Contribution to Suneshine Inc.'s TCOC} = \left[\left(\frac{\$1,200,000}{\$38,750,000}\right)\right] \times \$40,000,000 = \$1,238,709.68$$

Synergy with Other AHEAD Components

PC practices participating in PC AHEAD and hospitals participating in HGB can also join Geo Entities to work together toward coordinated care, improved patient outcomes, and sustainable cost management goals, aligning the state healthcare ecosystem around shared objectives. **By working together, HGB hospitals, PC AHEAD practices, and Geo Entities can amplify benefits**, leading to care transformation and savings beyond participation in a single AHEAD element. The example below illustrates benefits for participants.


= Legacy Revenue from HGBs from Appropriate Reductions and Shifts of Care[11]


= Predictable Primary Care Payments Reflecting Patient Care Delivery Needs


= Geo AHEAD Shared Savings


= Benefits from multiple program participation

Starlight Hospital only participates in HGB:
Improves care delivery and earns legacy revenue from HGBs from appropriate reductions and shifts of care

Benefits = 

Aurora Primary Care Practice only participates in PC AHEAD:
Optimizes care management and PC fostered by predictable PC payments

Benefits = 

Sunshine Inc. a Geo Entity without Aurora or Starlight participation

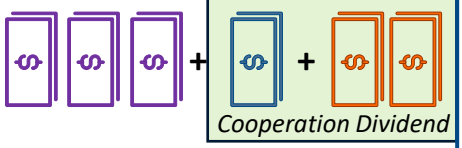
Reduces unnecessary costs for their attributed beneficiaries and receives Geo AHEAD shared savings

Benefits = 

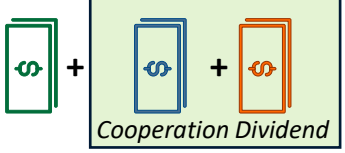
Collaboration Amplifies Benefits for All Stakeholders

If Sunshine Inc. recruits Starlight Hospital as a Geo Affiliate and Aurora PC Practice as a Geo Participant to their Geo Entity, **enhanced collaboration will improve outcomes and cost savings for all** leading to more shared savings.

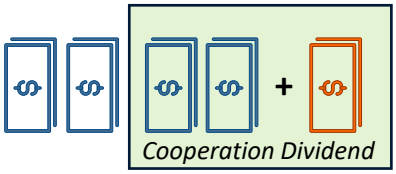
Starlight Hospital joins Sunshine Geo Entity
Retains HGB savings from their individual strategies, receives benefits from Sunshine Inc.'s support and care coordination – creating new opportunities for collaborative savings, and is eligible for shared savings

Benefits = 

Aurora Primary Care joins Sunshine Geo Entity
Retains PC optimization through PC AHEAD efforts, receives benefits from Sunshine Inc.'s support and care coordination – creating new opportunities for collaborative savings, and is eligible for shared savings

Benefits = 

Sunshine Geo Entity with Starlight Hospital and Aurora Primary Care Participation
Sunshine enhances the savings from their individual strategies, benefits from Starlight Hospital and Aurora individual strategies, and creates new savings via collaboration. They achieve greater shared savings through this collaboration, sharing gains with Starlight and Aurora

Benefits = 

11. Legacy Revenue is the revenue that hospitals retain under HGBs by delivering care more efficiently, e.g., reducing unnecessary utilization, shifting care to appropriate settings, and improving coordination, consistent with AHEAD Model goals.

Strategy

Geo AHEAD's quality strategy focuses on improvement across three areas: healthcare utilization, preventive care, and patient experience. Quality performance is assessed using attainment benchmarks and an improvement factor to recognize high performance and year-over-year improvement. Quality performance adjusts shared savings/losses; Geo AHEAD does not provide separate quality incentive payments.[12]

Quality Measure Set

Geo AHEAD's measures are aligned with those used in PC AHEAD and HGB AHEAD to promote consistency across model components and reduce reporting burden. The quality measures that comprise the Geo AHEAD quality strategy are outlined in the table below.

Domain	Requirement	Measure
Behavioral Health	Required	Preventive Care and Screening: Screening for Depression & Follow-Up Plan
Healthcare Utilization	Required	Emergency Department Utilization (EDU)
	Required	Acute Hospital Utilization (AHU)
	Required	Hospital-Wide All-Cause Unplanned Readmission Measure (HWR)
	Required	Days at Home for Patients with Complex, Chronic Conditions (DAH)
Patient Experience	Required	Accountable Care Organization (ACO) Consumer Assessment of Healthcare Providers and Systems (CAHPS)
Prevention & Wellness	Geo Entity chooses at least 1	Colorectal Cancer Screening
		Breast Cancer Screening: Mammography (BCS-AD)
Chronic Conditions	Geo Entity chooses at least 1	Controlling High Blood Pressure (CBP-AD)
		Diabetes: Hemoglobin A1c (HbA1c) Poor Control (>9%)

For geographically attributed beneficiaries, the Geo Entity may not have access to electronic health record (EHR) data that inform some process-based measures. For this population, CMS may apply claims-based and/or outcomes-based measures from the Table above.

Alignment with Population Health Accountability Plan

Geo AHEAD aligns its quality measures with PC AHEAD, HGB AHEAD, and the Statewide Population Health Accountability Plan (PHAP) to support consistent population health goals and monitoring across the AHEAD Model. PHAPs describe state strategies for improving population health and prevention and are used to track model progress. This alignment ensures a collective approach to addressing current health priorities and harmonizes efforts by states and Geo Entities, amplifying the impact for Medicare beneficiaries.

12. For more information on how quality may positively impact Geographic attribution, see the Specification Preview: Geo Attribution resource.

Calculating the Quality Adjustment Factor

Step 1: Quality Composite Score

Geo Entities will receive a quality score for each quality measure, based on comparing the Geo Entity's performance against a national benchmark and a minimum and maximum threshold.[13] Scores will range between 0 and 100, with **scores falling below the minimum threshold receiving 0 points** and measure performance at or above the maximum threshold receiving 100 points. Geo Entities who score between the thresholds will receive, scaled credit using the following formula.

$$\text{Scaled Quality Score} = (50 \times \frac{(Geo\ Raw\ Quality\ Score - Minimum\ Threshold)}{(Maximum\ Threshold - Minimum\ Threshold)}) + 50$$

CMS will use the Geo Entity's performance on each quality measure to calculate an overall quality composite score.

Step 2: Quality Improvement Factors

Geo Entities will receive a quality improvement bonus if they achieve year-over-year improvement on the quality measure set relative to the improvement target, which will be determined by CMS prior to the performance year. Geo Entities that achieve this Quality Improvement target will receive an additional 10 points to their overall Quality Composite Score, up to a maximum of 100%. The Improvement Factor will begin during the second performance year.

Step 3: Determining the Quality Adjustment Factor

The Geo Entity's Quality Composite Score (plus the Improvement Factor, if applicable) determines the share of earned shared savings or losses applied to the Geo Entity and will be expressed as a percentage and converted to a scaling factor to determine the shared savings/losses quality adjustment. The quality adjustment will range from 0.0 to 1.0 for savings and 0.5 to 1.0 for losses and a conversion table will be included in the final specifications.

Financial Overlaps

In addition to supporting Geo AHEAD program goals, model overlap policies promote fidelity, ensure payment integrity, and support the delivery of high-value care to Medicare beneficiaries. Overlaps are generally permitted between Geo AHEAD and other CMS models; however, beneficiaries may not be attributed to both Geo AHEAD and another TCOC model. Similarly, providers cannot receive Geo AHEAD capitated payments and care management payments (e.g., EPCP) for the same beneficiary from multiple models. As necessary, CMS will prospectively adjust payments to prevent duplicative payments with other models where services overlap. For more details on AHEAD overlaps policies please refer to the AHEAD Model Overlaps Fact Sheet.

13. More information on quality thresholds will be available in the Geo AHEAD Specifications.

- **AHEAD Model Website**
- **Notice of Funding Opportunity (NOFO)**
- **Geo AHEAD Fact Sheet**
- **AHEAD Model Overlaps Fact Sheet**
- **Email: AHEAD@cms.hhs.gov**