

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-19 Demonstrations	Centers for Medicare & Medicaid Services (CMS)
Transmittal 227	Date: June 28, 2019
	Change Request 11340

SUBJECT: Next Generation ACO Model - Demo Code Placement

I. SUMMARY OF CHANGES: This Change Request (CR) provides instruction to Medicare payment contractors to revise the Next Generation Accountable Care Organization (ACO) Model's implementation CR 9151 to allow for two demo codes on a claim. Specifically, it requires that the NGACO demo code 74 take precedence over the BPCI Advanced's demo code 86.

EFFECTIVE DATE: October 1, 2019

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: October 7, 2019

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Demonstrations

Attachment - Demonstrations

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I. GENERAL INFORMATION

A. Background: The implementation of a previous CR has impacted the implementation and operation of the Next Generation ACO Model (NGACO). A different CR (CR 9151) does not allow for more than one demo code to be applied to a claim (BR 9151.2.1), but the previous CR allows for Bundled Payments for Care Improvement (BPCI) Advanced claims to have two demo codes on a claim because BPCI has instructed their providers to manually add their demo code 86 to a claim. Additionally, since BPCI Advanced was implemented in fall 2018, policy has changed between the two models - NGACO and BPCI. Previously, in BPCI Classic, if a BPCI demo code was on a claim, the NGACO demo code was not applied to a claim because BPCI took precedence. However, since the implementation of BPCI Advanced, it was determined that NGACO demo code would take precedence instead of BPCI. Since BR 9151.2.1 instructs SSMs to not apply NGACO demo code 74, then that impacts how NGACO claims are processed. Without demo code 74 on the claim, several of the claims processing for providers participating in the NGACO Model are processed incorrectly. For example, those skilled nursing facilities (SNFs) participating in the NGACO 3-Day SNF Rule Waiver won't have their SNF waiver claims paid if BPCI Advanced's demo code 86 is on the claim; also, for those providers participating in Population Based Payments (PBP) and All-Inclusive Population Based Payments (AIPBP), if BPCI Advanced's demo code 86 is on the claim, then those claims that should have received a reduced or \$0 payment on the NGACO claim, will instead be paid normally because BPCI Advanced's demo code 86 is on the claim.

B. Policy: Section 1115A of the Social Security Act (the Act) (added by section 3021 of the Affordable Care Act) (42 U.S.C. 1315a) authorizes the Center for Medicare and Medicaid Innovation (CMMI) to test innovative health care payment and service delivery models that have the potential to lower Medicare, Medicaid, and the Child Health Insurance Program (CHIP) spending while maintaining or improving the quality of beneficiaries' care.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			D M E	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
11340.1	SSMs shall apply demo code 74 to claims that already have demo codes on the claim record. NOTE: This replaces BR 9151.2.1.					X	X			

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
11340.2	<p>SSMs shall apply demo code 74 to claims that already have demo code 86 (BPCI Advanced) on the claim record and place the demo code in position 1 when the claim includes:</p> <ul style="list-style-type: none"> An aligned provider An aligned beneficiary <p>Demo code 86 should be shifted to position two – four to make room for demo code 74 in position 1.</p> <p>Note: The effective date of this BR applies to all claims processed on or after the date the changes are installed.</p>					X	X			

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Lauren Kuenster, 410-786-0068 or lauren.kuenstner@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0