

Next Generation ACO Model

Chronic Disease Reward Program Benefit Enhancement

May 2021

Chronic disease management programs have been implemented by a variety of health systems in an effort to improve care quality, promote self-management, and reduce costs for patients with one or more chronic conditions. These programs are structured treatment plans that aim to help people better manage their chronic disease (e.g., diabetes, asthma, hypertension), and to maintain and improve quality of life. Increasingly, these health systems have incorporated the use of rewards to incentivize patient participation in these programs, commonly in the form of gift cards. The use of these incentives to promote participation in chronic disease management programs has been adopted by commercial insurers, Medicare Advantage plans, and Medicaid agencies. The CMS Innovation Center will permit Next Generation Accountable Care Organizations (NGACOs) to provide gift cards to eligible aligned beneficiaries, up to an annual limit of \$75, for the purpose of incentivizing participation in a chronic disease management program. NGACOs that select to participate in this benefit enhancement must submit an Implementation Plan detailing how they will structure their chronic disease management reward program. NGACOs will be permitted to offer programs that focus on aligned beneficiaries with a specific disease or chronic condition, as long as the program does not discriminate against any aligned beneficiary who would otherwise qualify for participation.

Frequently Asked Questions

Q1: What is a chronic disease management program?

A: Generally, chronic disease management programs are structured treatment plans that aim to help people better manage their chronic disease (e.g., diabetes, asthma, hypertension), and to maintain and improve quality of life. Chronic disease programs have been implemented by a variety of health systems, including Medicare Advantage and commercial insurers, in an effort to improve care quality, promote self-management, and reduce costs for patients with one or more chronic conditions.

Next Generation Accountable Care Organizations (NGACOs) have the opportunity to provide a chronic disease program, subject to approval by Medicare, which will focus on promoting improved health, preventing injuries and illness, and promoting efficient use of health care resources for individuals with the chronic disease(s) targeted by the program. NGACOs will be permitted to reward eligible beneficiaries with a gift card for participation in an approved chronic disease management program.

Q2: What is an example of a chronic disease management program?

A: A chronic disease management program may include utilizing particular services or preventive screening benefits, adhering to prescribed treatment regimens, attending education or self-care management lessons, and meeting nutritional goals. Please note that a survey alone will not constitute a chronic disease management program.

Q3: Who is eligible to participate in an NGACO chronic disease management program and receive a gift card?

A: The Chronic Disease Reward Program Benefit Enhancement is available to Next Generation aligned beneficiaries. All aligned beneficiaries that qualify for a chronic disease management program (in accordance with the NGACO's approved Implementation Plan) would be eligible to receive a gift card for their participation in that chronic disease management program.

Q4: Is there an annual monetary limit of the gift cards?

A: Yes, the aggregate value of any and all gift cards provided to a beneficiary in a year cannot exceed \$75. Participation by an aligned beneficiary in multiple chronic disease management programs does not permit NGACOs to provide gift cards in excess of this annual limit.

Q5: May a commercial partner such as a drugstore fund all or part of the gift card?

A: No, the NGACO must fund the gift card entirely and provide it directly to the beneficiary.

Q6: Can NGACOs partner with a national retail company to provide a gift card for a pharmacy?

A: NGACOs may work with a national retailer, but the gift card must meet all the other requirements for the Gift Card Benefit Enhancement. For example, the gift card cannot be in the form of cash, monetary discounts, or rebates.

Q7: Are there any limitations to the use of the gift cards?

A: Yes, the gift cards cannot be redeemable for cash. Also, the gift cards cannot be used to purchase alcohol or tobacco products.

Q8: Can the Gift Card Benefit Enhancement be given to beneficiaries for receiving an annual wellness visit?

A: The annual wellness visit (AWV) is not a chronic disease management program. If NGACOs integrate AWVs into an existing chronic disease management program or build a program with other activities that the NGACO uses to manage beneficiaries' chronic conditions—such as meeting with a care manager, developing a care plan, following up on goal-setting, and assessing the social determinants of health—then a beneficiary who has an AWV would be eligible for the gift card.

Q9: Does CMS have branding requirements for the gift card? Can it be, for example, a retail store or pharmacy brand gift card? Does the card need to have the NGACO's name on it?

A: Gift cards do not have to be NGACO-branded, include the NGACO's name, or have the associated retail company's logo removed. The gift card must be provided to the beneficiary directly by the ACO.

Q10: Can the gift card be used as an incentive to encourage a beneficiary to receive a service from the Next Generation ACO?

A: The gift card has to be tied to a chronic disease management program in which a beneficiary is enrolled. The Next Generation ACO Model's fraud and abuse waiver specifically prohibits the use of the gift card as a patient-engagement incentive outside of the Chronic Disease Reward Program Benefit Enhancement. A link has been provided at the bottom of this document to view the Notice of Waiver of Certain Fraud and Abuse Laws in Connection with the Next Generation ACO Model.

Q11: May NGACOs offer gift cards for meals under the Chronic Disease Management Program?

A: NGACOs may offer a gift card, but not cash or cash equivalents, for meals/meal services to a beneficiary who is eligible to receive such an award under the NGACO's Chronic Disease Management Program. The provision of such a reward is subject to the terms and conditions of the Chronic Disease Management Reward Benefit Enhancement as well as all applicable laws and regulations.

Q12: Is the Chronic Disease Management Reward required to be a gift card? Or can NGACOs offer to pay for beneficiaries' transportation by providing them with taxi vouchers or fare for commercial ride-sharing companies?

A: NGACOs may not provide the Chronic Disease Management Reward (gift card) in the form of payment of a bill for transportation vouchers or fare following a service. The gift card may not be offered in the form of cash or monetary refunds or rebates per the Notice of Waiver of Certain Fraud and Abuse Laws in Connection with the Next Generation ACO Model.

Considering this, please note that, outside of the Gift Card Benefit Enhancement, the fraud and abuse waiver states in Section D.1., "For example, Beneficiaries may not be given cash reimbursements for transportation costs such as bus or taxi fare or gasoline, or public transportation fare cards or token. Beneficiaries may be given, for example, prepaid

vouchers redeemable solely for transportation services for them and any caregivers accompanying them."

NGACOs should always ask their general counsel and compliance department to review the NGACO fraud and abuse waiver when considering how to use this benefit enhancement, and/or in utilizing the broader Next Generation ACO Model Amended Waivers of Certain Fraud and Abuse Laws.

Q13: Can NGACOs focus on a specific subset of beneficiaries for the Gift Card Benefit Enhancement? Can NGACOs focus on a subpopulation of high-cost patients based on their chronic disease diagnosis?

A: Yes, NGACOs may focus on specific subpopulations, but that must be clearly articulated in its Implementation Plan. NGACOs may not discriminate against populations that would otherwise be eligible.

For additional and detailed information regarding this benefit enhancement, please see the Notice of Waiver of Certain Fraud and Abuse Laws in Connection with the Next Generation ACO Model: <https://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/Downloads/Amended-ACO-Model-Waivers.pdf>