## Medicare ACO Roadmap

Provider participation in accountable care organizations (ACOs) is becoming the new normal. As of January 1, 2016, there are 434 ACOs in the Medicare Shared Savings Program. More than 160,000 providers now participate in an MSSP ACO. These organizations now serve 7.7 million Medicare beneficiaries residing in 49 of the 50 states. Here's the road to the MSSP destination of shared savings.





Does the potential business opportunity outweigh the administrative costs?



In Performance Year 2, 54% of ACOs had lower-than-projected costs, but only 28% saved enough to receive bonus payments.



ACOs receive claims data for their attributed beneficiaries, helping them to identify ways to improve quality and reduce costs.

To participate in the MSSP, an ACO must:

- Maintain an ongoing quality assurance and improvement program
- Promote evidence-based medicine
- Promote patient engagement

- Report on quality and cost measures
- Promote care coordination across physicians and providers
- Drive patient-centeredness



More than 50% of the population now lives in an ACO's service area – providers who opt not to participate may risk losing market share.







CMS requires that you notify your attributed beneficiaries that your organization is participating in the MSSP.



The ACO must meet minimum performance standards based on 34 quality measures pertaining to:

- Patient/caregiver experience of care
- Care coordination/patient safety
- Preventative health
- At-risk populations



Providers must sign a written agreement promising to participate in the ACO's operations.

## A two-sided ACO

pays a penalty based on a percentage of actual expenditures in excess of its benchmark.



The shared savings payment cap is 10% of ACO's expenditure benchmark.



In its first year, the organization will have a savings sharing rate of 50% (half of the savings go to the ACO, half go to CMS).

ACO CMS



A one-sided ACO

is eligible for an annual shared savings payment but doesn't pay a penalty if its expenditures exceed the benchmark.



**PAYMENTS** 

Organizations with a 100% performance score have a savings sharing rate of 60%.



The shared savings payment cap is 15% of the ACO's expenditure benchmark.



If your two-sided ACO exceeds its benchmark by 2%, CMS will demand repayment.



If your ACO is entitled to a shared savings payment, CMS will notify you of the amount.



