

Next Generation Accountable Care Organization Model (Next Generation ACO Model) Fact Sheet

Overview

In January 2016, the Centers for Medicare & Medicaid Services (CMS) Center for Medicare and Medicaid Innovation (Innovation Center) launched an accountable care organization (ACO) model called the Next Generation ACO Model. Eighteen ACOs participated in the Next Generation ACO Model for the 2016 performance year, and today CMS is announcing the new 2017 participants. Twenty-eight ACOs are joining the Model for 2017, bringing the total number of Next Generation ACOs to 45. The 45 total ACOs participating in the Next Generation ACO Model in 2017 have significant experience coordinating care for populations of patients through initiatives, including, but not limited to, the Medicare Shared Savings Program and the Pioneer ACO Model. The Next Generation ACO Model is an Advanced Alternative Payment Model (APM) for CY2017 under the Quality Payment Program established under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). Eligible clinicians that sufficiently participate in Advanced APMs may qualify for exemption from payment adjustments under the Merit-based Incentive Payment System (MIPS), as well as APM incentive payments available beginning in 2019. The Next Generation ACO Model aligns with the Administration's broader strategy to move away from a health care system that rewards the quantity of services, to one that rewards the quality of health outcomes.

As of January, 2017, the number of ACOs participating in Medicare ACO initiatives has grown to over 562 nationwide. Medicare ACOs have been serving over 10.5 million beneficiaries since ACO programs such as the Medicare Shared Savings Program and Pioneer ACO Model began in 2012. The results from the past 5 years have demonstrated that ACOs can provide better quality of care for beneficiaries while producing savings.

2017 Next Generation ACOs

The organizations participating in the Next Generation ACO Model represent a variety of provider organizations and geographic regions, and were selected by fulfilling specific eligibility criteria outlined in a Request for Applications (RFA) found at the [Next Generation ACO Model web page](#). These organizations were selected through an open and competitive process from a large applicant pool that included many qualified organizations.

The 45 organizations participating in the Next Generation ACO Model in 2017 are:

Next Generation ACO Name	Service Areas
Accountable Care Coalition of Chesapeake, LLC	District of Columbia, Maryland & Virginia
Accountable Care Coalition of Southeast Texas Inc.	Texas
Accountable Care Options, LLC	Florida
Allina Integrated Medical Network	Minnesota & Wisconsin

Next Generation ACO Name	Service Areas
APA ACO, Inc.	California
Arizona Care Network, LLC	Arizona
Atrius Health, Inc.	Massachusetts
Baroma Accountable Care, LLC	Florida
Beacon Health, LLC	Maine
Bellin Health DBA Physician Partners	Wisconsin
Bronx Accountable Healthcare Network IPA, Inc.	Connecticut & New York
Carilion Clinic Medicare Shared Savings Company, LLC	Virginia
Cornerstone Health Enablement Strategic Solutions (CHESS)	North Carolina
Dartmouth-Hitchcock Health	New Hampshire
DaVita Medical ACO California, LLC	California
Deaconess Care Integration	Indiana
Fairview Health Services	Minnesota
Henry Ford Physician Accountable Care Organization	Michigan
Hill Physicians Medical Group	California
Indiana University Health	Indiana
Integra Community Care Network LLC	Massachusetts & Rhode Island
Iowa Health Accountable Care	Iowa
KentuckyOne Health Partners, LLC	Indiana & Kentucky
MemorialCare Regional ACO, LLC	California
Michigan Pioneer ACO, LLC	Michigan
Monarch Health Plan	California
National ACO LLC	Arizona, California, Colorado, Pennsylvania, Tennessee & Texas
Optum Accountable Care Organization	Arizona
Park Nicollet Health Services	Minnesota
Partners Community Physicians Organization	Massachusetts
Physicians of Southwest Washington	Washington

Next Generation ACO Name	Service Areas
Pioneer Valley Accountable Care, LLC	Massachusetts
Premier Health ACO of Ohio	Ohio
ProHealth Solutions, LLC	Wisconsin
Prospect ACO CA, LLC	California
Prospect ACO Northeast, LLC	Connecticut & Rhode Island
Regal Medical Group d.b.a. Heritage California ACO	California
Sharp HealthCare ACO - II, LLC	California
St. Luke's Clinic Coordinated Care, LTD	Idaho, Washington & Oregon
Steward Integrated Care Network, Inc.	Massachusetts
ThedaCare ACO LLC	Wisconsin
Triad HealthCare Network, LLC	North Carolina
Trinity Health ACO Inc.	Illinois, Ohio, Michigan & New Jersey
UNC Senior Alliance, LLC	North Carolina
UT Southwestern Accountable Care Network	Texas

The Next Generation ACO Model's Core Principles

- Protect Medicare fee-for-service beneficiaries' freedom to seek covered items and services from the Medicare-enrolled providers and suppliers of their choice;
- Engage beneficiaries in their care through benefit enhancements designed to improve the patient experience and reward seeking appropriate care from providers and suppliers participating in ACOs;
- Create a financial model with long-term sustainability;
- Utilize a prospectively-set benchmark that: (1) rewards quality; (2) rewards both improvement in and attainment of efficiency; and (3) ultimately transitions away from using an ACO's recent expenditures for purposes of setting and updating the benchmark;
- Mitigate fluctuations in aligned beneficiary populations and respect beneficiary preferences by supplementing a prospective claims-based alignment process with a voluntary process; and
- Smooth ACO cash flow and support investment in care improvement capabilities through alternative payment mechanisms.

Medicare ACOs are comprised of groups of doctors, hospitals, and other suppliers who have come together voluntarily to provide coordinated, high-quality care at lower costs to their Original Medicare patients. ACOs are patient-centered organizations where the patient and providers are true partners in care decisions. Aligned beneficiaries will see no reduction in their Medicare

benefits and will keep their freedom to see any Medicare-enrolled provider or supplier. Provider and supplier participation in ACOs is also voluntary. When an ACO succeeds in both delivering high-quality care and spending health care dollars more wisely, it will share in the savings it achieves for the Medicare program.

The goal of care coordination is to ensure that patients, especially those with chronic conditions, get the right care at the right time while avoiding medical errors and unnecessary duplication of services. Any patient who has multiple doctors has experienced the frustration of fragmented and disconnected care: lost or unavailable medical charts; duplicated medical procedures and tests; difficulty scheduling appointments; or having to share the same information repeatedly with different doctors. ACOs are designed to help lift this burden from patients, while improving the partnership between patients and their health care providers in making health care decisions. Medicare beneficiaries will have better control over their health care, and providers will have better information about their patients' medical history and better relationships with their patients' other health care providers. For health care providers, ACOs hold the promise of realigning the practice of medicine with the ideals of the profession—keeping the focus on patient health and the most appropriate care.

Medicare beneficiaries whose doctors participate in an ACO will still have freedom of choice among Medicare-enrolled providers and suppliers and can still choose to see health care providers outside of the ACO. Patients choosing to receive care from providers and suppliers participating in ACOs will also have access to information about how well their doctors, hospitals, or other caregivers are meeting quality standards.

Round 3 Application Process

A Request for Applications (RFA) soliciting a third round of applications for organizations interested in participating in the Next Generation ACO Model beginning on January 1, 2018 will be posted to the Next Generation ACO Model website in January 2017 (<https://innovation.cms.gov/initiatives/Next-Generation-ACO-Model/>); the RFA will include the text of the application. The application portal for the submission of a Letter of Intent is expected to open in February 2017. The Letter of Intent is non-binding; however, only those organizations that submit a Letter of Intent may submit an application. Finally, the Next Generation ACO Model's application portal will open in March 2017 and applications will be due in May 2017.

The CMS Innovation Center

The CMS Innovation Center was created by the Affordable Care Act to test innovative payment and service delivery models to reduce program expenditures while preserving or enhancing the quality of care for Medicare, Medicaid and Children's Health Insurance Program beneficiaries.

Working in concert with the Shared Savings Program, the CMS Innovation Center is testing a number of ACO models and has sponsored shared learning activities that help providers form ACOs and improve their results. More information on all of these initiatives is available on the CMS Innovation Center website at <https://innovation.cms.gov/>.

Additional Resources

More information about the Next Generation ACO Model, including alternative payment arrangements, quality measures, and benefit enhancements, is available on the CMS Innovation Center website at the [Next Generation ACO Model web page](#). Any questions about the Next Generation ACO Model can be directed to NextGenerationACOModel@cms.hhs.gov.