



# ACO Investment Model



*Application Guidance for ACOs that  
Began Participating in the Medicare  
Shared Savings Program in 2012 or  
2013*

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# ACO Investment Model

The ACO Investment Model provides pre-paid shared savings to ACOs for staffing and infrastructure that supports population care management, financial management or other essential ACO functions.



# Amount of Prepaid Shared Savings for ACOs that began participating in 2012 or 2013

- *1) An upfront, variable payment:* Each ACO will receive a payment in the first month equivalent to the number of its preliminary, prospectively assigned beneficiaries on its most recent quarterly report multiplied by \$36.
- *2) A monthly payment of varying amount depending on the size of the ACO:* Each ACO will receive a monthly payment equal to the same number of preliminary, prospectively assigned beneficiaries used to calculate the first payment above, multiplied by \$6.

# ACO Investment Model Eligibility

To be eligible for this round of ACO Investment Model funding, applicants must:

- The ACO must be accepted into, participate and be in good standing in the Shared Savings Program. The ACO's first performance period in the Medicare Shared Savings Program must have started in either 2012 or 2013
- The ACO has completely and accurately reported quality measures to the Medicare Shared Savings Program in the most recent performance year.
- The ACO has a preliminary prospective beneficiary assignment of 10,000 or fewer beneficiaries for the most recent quarter, as determined in accordance with the Shared Savings Program regulations.
- The ACO does not include a hospital as an ACO participant or an ACO provider/supplier (as defined by the Shared Savings Program regulations), unless the hospital is a critical access hospital (CAH) or inpatient prospective payment system (IPPS) hospital with 100 or fewer beds.
- The ACO is not owned or operated in whole or in part by a health plan.
- The ACO did not participate in the Advance Payment Model.

# ACO Selection Criteria

<b>Spend Plan Quality</b>	<b>Points (max 8 pts.)</b>
<b>Acceptable</b>	0
<b>Good</b>	4
<b>Exceptional</b>	8
<b>Quality of Care</b>	<b>Points (max 2 pts.)</b>
<b>Met or exceeded the median performance rate compared to all ACOs on <math>\geq</math> 50% of measures</b>	1
<b>Met or exceeded the median performance rate compared to all ACOs on <math>\geq</math> 70% of measures</b>	2

# ACO Selection Criteria

<b>Financial</b>	<b>Points (max 2 pts.)</b>
<b>Demonstrated cost efficiency gains equal to or exceeding the financial benchmark in previous performance year</b>	<b>2</b>
<b>Higher risk and retention</b>	<b>Points (max 6 pts.)</b>
<b>Is in or agrees to move to a two-sided risk track in the subsequent agreement period</b>	<b>6</b>
<b>Demonstration of Financial Need</b>	<b>Points (max 2 pts.)</b>
<b>Needs statement demonstrates exceptional need for pre-paid shared savings</b>	<b>2</b>
<b>Total Points</b>	<b>20</b>

# How to Apply

- The application is accessible via the AIM website: <http://innovation.cms.gov/initiatives/ACO-Investment-Model/>
- Click “Online Application Portal” in Additional Information section at the bottom of the page.
- Click on “ACO Registration” to receive a log in.
- The deadline for applications is December 1, 2014 at 11:59pm.

# Registration

**CMS.gov**

Centers for Medicare & Medicaid Services

 [ACO Investment Model Help](#)

## ACO Investment Model Online Application

**AIM Login**

Username (Example: example@example.com.aimrfa)

  

Password 

  

**Login**

[Forgot Your Password?](#) | [ACO Registration](#)

CMS will safeguard the information provided to us in accordance with the Privacy Act of 1974, as amended (5 U.S.C. Section 552a). For more information, please see the [CMS Privacy Policy](#).



# Application Questions

## Section A: ACO Profile Questions

1. Please select the date the ACO started or will start its performance agreement with the Medicare Shared Savings Program (MSSP).

*This information will be used to identify the ACO's eligibility for the model. Only ACOs that started with MSSP in 2012 or 2013 are eligible for this round.*

2. What risk track of the Medicare Shared Savings Program does your ACO participate in?

*Track 1 or Track 2*

3. Are you planning on continuing participation in the Medicare Shared Savings Program after your current agreement ends?

# Application Questions Continued

## Section A: ACO Profile Questions Continued

4. In your next agreement period does the ACO agree to continue or move to a two-sided risk track?

*ACOs that agree to remain in a two-sided risk track or agree to move to a two-sided risk track will earn additional points in the selection process.*

5. Is the bank account you will use to receive payments from the ACO Investment Model the same as the bank account listed in the ACO's MSSP application for the receipt of earned shared savings?

*If your ACO plans to have the money provided by this model kept in a separate bank account than used in SSP, select No.*

6. Did your ACO participate in the Advance Payment Model?

*This information will be used to identify the ACO's eligibility for the model. ACO's that participated in the Advance Payment model are not eligible for this model.*



# Application Questions Continued

## Section A: Primary & Secondary Points of Contact

*CMS requires that you provide the Name, Title, Street Address, City, State, Zip Code, Business Phone Number, and Email Address for no fewer than 2 contacts within your ACO.*

*These contacts may be contacted with questions relating to the application and will be responsible for maintaining the ACO's participation in this model (if selected).*

# Application Questions Continued

## Section B: ACO Organizational Structure and Location

1. Does the legal entity of the ACO contain a hospital or in-patient facility?

*There are eligibility requirements based on the type of hospital as well as the number of beds.*

2. Is every hospital or in-patient facility in the Legal Entity of the ACO either a Critical Access Hospital (CAH) or an In-Patient Prospective Payment System (IPPS) Hospital with no more than 100 beds?

*Eligibility is restricted to ACOs that do contain a hospital or in-patient facility unless the hospital is a CAH or an IPPS hospital with 100 or fewer beds.*

3.\* Is the ACO Legal Entity or any ACO participant in the Legal Entity, co-owned with a licensed health insurance entity?

*ACOs owned or co-owned with a licensed health insurance entity are not eligible for this model.*

\* Numbering may change depending on the answer to Number 1.



# Application Questions Continued

## Section B: ACO Organizational Structure and Location

4.\* Approximately how many beneficiaries are assigned to your ACO?

*ACOs must have 10,000 or fewer assigned beneficiaries to be eligible for this model.*

5.\* Approximately what percentage of the ACO participants, providers, and suppliers practice in rural areas?

\* Numbering may change depending on the answer to Number 1.



# Application Questions Continued

## Section C: Statement of Need

1. Please describe how the ACO Investment Model can help the applicant ACO meet its financial and quality goals. **(2 Page Maximum\*)**

*ACOs that demonstrate exceptional need for pre-paid Shared Savings will receive preference during the scoring of applications.*

\* Please adhere to page limitations, CMS cannot guarantee that any additional information beyond the requested page maximum will be reviewed.



# Application Questions Continued

## Section D: ACO Investment Plan

1. Describe the types of staffing and infrastructure that the ACO will acquire and/or expand using the pre-paid shared savings from the ACO Investment Model. How does each support population care management, financial management, or other essential ACO functions? **(3 page maximum\*)**

\* Please adhere to page limitations, CMS cannot guarantee that any additional information beyond the requested page maximum will be reviewed.



# Application Questions Continued

## Section D: ACO Investment Plan Continued

2. Give a summary of the timing of procurements, activities, and hiring activities by year.

a. Months 1 – 12 of agreement [Please indicate date range]. **(2 page maximum\*)**

b. Months 13 – 24 of agreement (or until end of agreement period if agreement period shorter than 24 months) [Please indicate date range] **(2 page maximum\*)**

\* Please adhere to page limitations, CMS cannot guarantee that any additional information beyond the requested page maximum will be reviewed.



# Application Questions Continued

## Section D: ACO Investment Plan Continued

3. How do these investments build on staff capacity and infrastructure that the ACO already has or plans to acquire using its own funding? **(2 page maximum\*)**

\* Please adhere to page limitations, CMS cannot guarantee that any additional information beyond the requested page maximum will be reviewed.

# Application Questions Continued

## Section D: ACO Investment Plan Continued

4. Unacceptable uses of pre-paid shared savings from the ACO Investment Model include:

- Augmenting provider salaries or providing bonuses to executives or administrators.
- Imaging equipment (use of funds for other equipment will be scrutinized carefully as well, but not necessarily prohibited).

Does the spend plan include any expenditures that might be interpreted as being in one of these categories? If so, please give a detailed description and rationale for the expenditure. **(1 page maximum\*)**

\* Please adhere to page limitations, CMS cannot guarantee that any additional information beyond the requested page maximum will be reviewed.



# Application Questions Continued

## Section E: Spend Plan

1. Download the spend plan template, complete the spend plan template as per the spend plan instructions and attach the completed spend plan file below.

# Application Questions Continued

## Section E: Spend Plan Continued

### Screenshot of Spend Plan Template

Color Key-->		ACO input required	ACO input optional	Formula or description -- DO NOT MODIFY		
Expected Total AIM Funds to be Disbursed to ACO (see	\$	1,800,000				
Expected Total AIM Funds in Budget:	\$	-				
<b>Check*</b>		Unbalanced -- Need to change so that AIM budget equals disbursed total		*Note that budget for a particular quarter does not need to equal AIM funds disbursed to ACO in that quarter, but total budget for AIM funds in all years needs to be equal to total AIM funds disbursed to ACO		
Fill out budget starting with first quarter receiving AIM funds through agreement period						
Expense item	2nd Quarter - 2015			3rd Quarter - 2015		
	AIM Funds (Actual)	ACO Funds (Actual)	Total (Actual)	AIM Funds (Actual)	ACO Funds (Actual)	Total (Actual)
<b>Clinical staff</b>						
<b>Care coordinators</b>						
Care Coordinator Administrator			\$ -			\$ -
Care Coordinator			\$ -			\$ -
Nursing & Home Care Director/Patient Navigator Coordinator/Case Manager			\$ -			\$ -
Nurse Care Workers/Patient Navigators			\$ -			\$ -
[Line item name]			\$ -			\$ -
[Line item name]			\$ -			\$ -
[Line item name]			\$ -			\$ -

# Application Questions Continued

## Section E: Spend Plan Continued

### Evaluation Rubric

Spend plans will be scored as “Unacceptable,” “Acceptable,” “Good” or “Exceptional” on each of the following criteria. An ACO with an “unacceptable” rating in any criteria will not be eligible for funding.

- **Unacceptable** – Spend plan lacks crucial information, does not address questions, and/or proposes spending on activities/investments that are not consistent with the goals of the Model. If the ACO does not document any investment in infrastructure outside of AIM funding, a thorough and compelling justification must be provided.
- **Acceptable** – Spend Plan lacks detail but response is consistent with goals of supporting population care management, financial management or other essential ACO functions. ACO proposes only minimal investments in infrastructure outside of AIM funding.
- **Good** – Spend Plan includes reasonable timelines, rationales for how funds will be spent, is consistent with goals of supporting population care management, financial management or other essential ACO functions. Spend plan describes and builds upon existing infrastructure and demonstrates that ACO is committed to making significant amount of investment in infrastructure outside of AIM funding.
- **Exceptional** – Applicant clearly describes procurements/activities/hiring with substantial detail. Timelines and cost estimates are reasonable and described in detail. Applicant provides compelling rationales for how funds will be spent. Proposed spending is consistent with goals. Proposed spending builds on existing infrastructure and demonstrates very strong commitment to investment in infrastructure outside of AIM funding.

# Application Questions Continued

## Section E: Spend Plan Continued

### Evaluation Rubric

Criteria	Weight
<b>Completeness and clarity of application (30% total weight)</b>	
<ul style="list-style-type: none"><li>• Procurements / activities / hiring are described in detail, along with estimated costs (e.g., unit prices and numbers of equipment/software licenses where appropriate, type and number of staff, expected salaries, etc.)</li></ul>	15%
<ul style="list-style-type: none"><li>• Documentation of ACO's own investments in infrastructure</li></ul>	15%
<b>Feasibility (20% total weight)</b>	
<ul style="list-style-type: none"><li>• Feasible timeframe for procurement / activities / hiring within the first 24 months of the Agreement</li></ul>	20%
<b>Overall strength of plan and business case for investment (50% total weight)</b>	
<ul style="list-style-type: none"><li>• Compelling rationales for how each procurement / activity / hiring will support population care management, financial management, or other essential ACO functions</li></ul>	30%
<ul style="list-style-type: none"><li>• Compelling explanation of how investments will build upon existing infrastructure and experience in care coordination, information management, working with community partners, and other essential ACO functions, as well as integration with investments outside of the AIM funding</li></ul>	20%



# Application Questions Continued

## Section E: Spend Plan Continued

### Guidelines on Use of Funds

AIM funds are intended to be used to build the ACO's population health management capabilities. CMS recognizes that there are many ways to do this, and that the most effective ways will vary by ACO. However, there are some guidelines on the use of funds.

**Acceptable uses of AIM funding include but are not limited to:**

- Investments in infrastructure such as the expansion of HIT systems to include a patient portal and/or data warehouse capabilities
- Hiring of staff such as nurse case managers, executives or project directors to oversee the implementation of care coordination efforts.

**Unacceptable uses of AIM funding include:**

- Augmenting provider salaries or providing bonuses to executives or administrators.
- Imaging equipment (use of funds for other equipment will be scrutinized carefully as well, but not necessarily prohibited)

# Questions

*Further questions, please contact [AIM@cms.hhs.gov](mailto:AIM@cms.hhs.gov).*

## **Make-up Session: ACO Investment Model Application Assistance**

**Thursday, November 18, 2014**

**Time:** 2:30 pm - 3:30 pm Eastern Time

Please join the event online and by phone. Please call in on only one line if multiple representatives from your organization will attend.

To register and join the webinar, click on the following link or copy/paste it into your web browser: <https://webinar.cms.hhs.gov/aimapplication2/>

To join by phone:

1. Dial the following number: 1-877-267-1577 (WebEx)
2. Follow the instructions you hear on the phone
3. WebEx Meeting ID Number: 998 834 090

**Check the ACO Spotlight Newsletter for Details**