

# Next Generation ACO Model



**Introduction to All-Inclusive  
Population-Based Payments (AIPBP)**

*April 26, 2016*

*For Discussion Purposes Only*

# Agenda

- **Introduction to All-Inclusive Population-Based Payments (AIPBP)**
  - Overview of AIPBP
  - Comparison to Population-Based Payments (PBP)
  - Importance of Provider Lists and Forms
  - NGACOs and Claims Payment Under AIPBP
  - Data and Reports for AIPBP
  - Reconciliation of AIPBP
  - What's Forthcoming

# Population-Based Payments (PBP)

- ACO determines a percentage reduction to the base FFS payments of its Next Generation Participants and Preferred Providers for care supplied to Next Generation PY-aligned beneficiaries.
  - ACO may opt to apply a different percentage reduction to different subsets of its Participants and Preferred Providers
  - PBP-participating Next Generation Participants and Preferred Providers must agree in writing to the percentage reduction.
- CMS will pay the projected total annual amount taken out of the base FFS rates to the ACO in monthly payments.

# All-Inclusive Population-Based Payments (available in April 2017)

- AIPBP is a payment mechanism that ACOs may elect to participate in for 2017. ACOs may only participate in one payment mechanism in a given performance year.
- ACOs elect to participate in AIPBP and Next Generation Participants and/or Preferred Providers agree to receive 100% FFS reduction by TIN. Providers within the TIN elect whether to participate or not.
- ACO is responsible for paying claims for Next Generation Participants and/or Preferred Providers receiving 100% reduced FFS
- Claims process:
  - All AIPBP- participating providers/suppliers submit claim to CMS as normal
  - CMS sends ACO claims information for those services
  - ACOs are responsible for making payments
- CMS will continue to pay normal FFS claims for care furnished to Next Generation Beneficiaries by Participants and Preferred Providers not participating in AIPBP (as well as care furnished by all other Medicare providers and suppliers).

# AIPBP: PBP

## What's the Same?

### The Similarities Between AIPBP and PBP

FFS Reduction Agreements Signed at the TIN level

Participants and Preferred Providers (in 2017) agree to participate on a provider-by-provider basis for TINs that agree to participate in the payment mechanism

All FFS claims will continue to be submitted to CMS; CMS will make coverage eligibility determinations and assess beneficiary liability.

Providers participating in the given payment mechanism receive a reduced FFS payment for care for beneficiaries aligned to the ACO, and full FFS payment for all other beneficiaries they treat that are not aligned to the ACO

ACOs will receive a monthly aggregate FFS reduced claims report (6.3 Report)

ACOs will receive a monthly payment from CMS

PY financial reconciliation to the benchmark is based on what the expenditures would have been absent the FFS reduction

CMS will separately reconcile monthly payments and actual reductions

# AIPBP: PBP

## What's Different?

Characteristics	PBP	AIPBP
Variance of FFS Reduction Percentages Across Participating TINs	<b>Yes</b> – TIN A can select a reduction of 10% while TIN B selects 50%	<b>No</b> – <i>only</i> 100% reduction
Claims Report Directly from FFS for Reduced Claims to ACO	<b>No</b>	<b>Yes</b>
CMS Pays a Portion of the Claims for Providers Participating in the Given Payment Mechanism	<b>Yes</b> – CMS pays at minimum 1% (if 99% PBP) or at most 99% (if 1% PBP) of the FFS amount	<b>No</b> – CMS does not pay any of the FFS amount (CMS <i>will</i> continue to pay IME, DSH, new technology and outlier payments for inpatient hospitals)

# Provider Lists and Forms

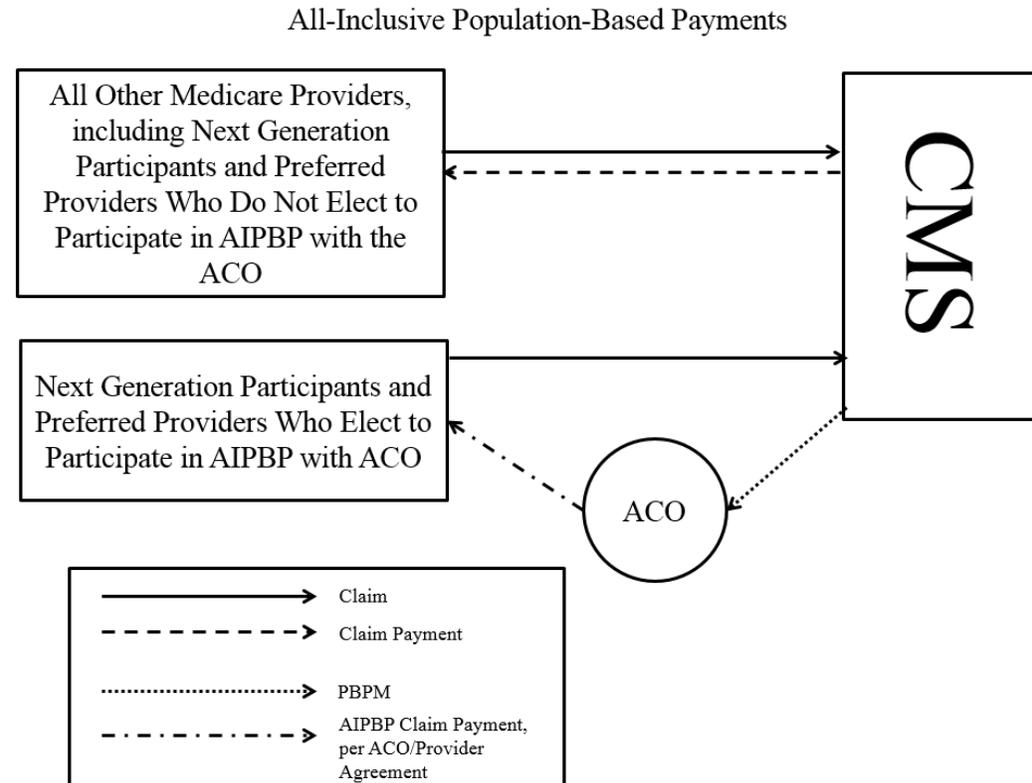
## AIPBP and PBP

- Only Participants and Preferred Providers on the ACO's TIN/NPI list in Fall 2016 may participate in PBP
  - TIN/NPI Participant lists to be submitted to CMS in June – lists must contain all Participants intending to participate in AIPBP or PBP
  - TIN/NPI Preferred Provider lists to be submitted to CMS in early Fall 2016 – lists must contain all Preferred Providers intending to participate in AIPBP or PBP
  - Part B institutional providers (i.e., CAHs, RHCs): MUST include institution's CCN on the list
- Complete AIPBP or PBP identifiers after the final provider lists
  - **AIPBP**: Y or N indicator for each provider within an AIPBP-participating TIN
  - **PBP**: % reduction for providers within a PBP-participating TIN (either 0% or the percentage selected by the TIN; individual NPIs cannot select different percentage reductions within a TIN)
- Forms are completed at the TIN level for given payment mechanism participating providers – due Fall 2016 (date tba)

# Claims Payment in AIPBP

- AIPBP-participating providers continue to submit claims through normal FFS process
- Reduction applied only to ACO-aligned beneficiaries
- CMS (FFS) sends ACO claims report for AIPBP-reduced claims for AIPBP-participating providers
- ACO pays on those claims to AIPBP-participating providers, based on agreed rates in ACO – provider contracts

# AIPBP Conceptual Diagram (April 2017)



All providers/suppliers submit claims to CMS as normal. CMS will pay the ACO a monthly PBPM AIPBP payment, with which the ACO will be responsible for paying AIPBP-participating providers/suppliers. ACOs will receive claims and payment information from CMS to inform payment to the Next Generation Participants and Preferred Providers participating in AIPBP. CMS will continue to pay claims for all Medicare providers not participating in AIPBP.

# Claims Data and Reports for AIPBP

In addition to a monthly report with aggregate of claims that were reduced in the prior month(6.3), ACOs electing AIPBP will receive:

- Claims Report Directly from FFS for Reduced Claims to ACO (weekly)

# Reconciliation

- Separate reconciliation from NGACO Performance Year financial settlement
- PBP and AIPBP reconciled to account for actual spending versus projection
- May result in other monies owed to CMS or ACO

# AIPBP Example Payment Calculation (April 2017)

Example ACO	Amount	Description
Historic FFS Expenditure for Aligned Beneficiaries	\$100,000,000	Historic claims to estimate total dollar spending for the year for aligned beneficiaries
Historic FFS Expenditures for Aligned Beneficiaries by <i>AIPBP-participating providers</i>	\$75,000,000	CMS uses historic claims to estimate total dollar spending for the year for <i>AIPBP-participating providers</i> (in this example, the AIPBP-providers had 75% of overall spending for aligned beneficiaries)
Monthly AIPBP Payment to ACO	\$6,125,000	$\$75,000,000/12$ minus 2% sequestration
Annual AIPBP Amount Paid to ACO	\$55,125,000	\$ monthly payment x 9 months ( <i>2017 only</i> )

# AIPBP Reconciliation Calculation

Example ACO	Amount	Description
Monthly Payments to ACO for 2017 (Apr– Dec)	\$55,125,000	Based off of the monthly payment calculation * 9 months
Actual Reductions to Providers Participating in AIPBP for 2017 (Apr-Dec)	\$50,000,000	Actual reductions taken for claims for aligned beneficiaries
2017 AIPBP Reconciliation	\$5,125,000	ACO overpaid, Other Monies Owed to CMS

Example where the ACO receives more money in AIPBP monthly payments from CMS, and the overpayment results in Other Monies Owed by the ACO to CMS

# AIPBP Reconciliation Calculation

Example ACO	Amount	Description
Monthly Payments to ACO for 2017 (Apr– Dec)	\$55,125,000	Based off of the monthly payment calculation * 9 months
Actual Reductions to Providers Participating in AIPBP for 2017 (Apr-Dec)	\$60,125,000	Actual reductions taken for claims for aligned beneficiaries
2017 AIPBP Reconciliation	\$5,000,000	ACO underpaid, Other Monies Owed by CMS to ACO

Example where the ACO receives less money in AIPBP monthly payments from CMS than for actual reductions taken, and the overpayment results in Other Monies Owed by the CMS to the ACO

# Forthcoming

- AIPBP Appendix to the NGACO Participation Agreement, which will include requirements for paying providers

NOTE: CMS does not waive or preempt state requirements, and ACOs must comply with applicable state laws and regulations for paying health care claims.

# Questions?

Please feel free to email the Next Generation ACO Inbox with any additional questions or questions specific to your ACO.

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