



FACT SHEET
Pioneer ACO Model and Next Generation ACO Model:
Comparison Across Key Design Elements
Updated: April 28, 2015

	Pioneer ACO Model	Next Generation ACO Model
Timeline	<p>Initial three-year contract period (2012-2014). Pioneer ACOs currently in performance year (PY) 4, the first of two options years. PY5 of the Model is in 2016.</p>	<p>Two application cycles, the first Next Generation ACOs will begin in 2016 and have initial three-year agreement period. Next Generation ACOs that begin in 2017 have initial two-year agreement period. Two option PYs (2019, 2020) following the initial agreement period.</p> <p>Letter of Intent (for 2016 start) due May 1, 2015. Application (for 2016 start) due June 1, 2015.</p>
Financial Risk	<p>Offers the option of five payment arrangements, which share savings and losses of up to 60-75%; savings and losses sharing rate varies based on quality score.</p> <p>ACO savings must exceed the minimum savings rate (MSR) in order to share in savings or the minimum loss rate (MLR) to be accountable for losses.</p>	<p>Offers the option of two risk arrangements: Risk Arrangement A offers shared savings and losses of up to 80% and Risk Arrangement B offers shared savings and losses of up to 100%.</p> <p>First dollar shared savings for spending below the benchmark (which includes a discount) and accountable for first dollar shared losses for spending above the benchmark.</p>

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Benchmark	<p>Benchmark (PY4-5)* calculated using a three-year historic baseline trended by 50/50 blend of national percentage and national flat dollar growth. IME and DSH are included in expenditure calculations, with an adjustment for DSH made in baseline.</p> <p>Regional prices accounted for through a locality adjustment.</p> <p>Risk adjust using the CMS-HCC model to compare average risk between the baseline and performance year. Option for change in PY5.</p> <p>Retrospective: Benchmark finalized at the end of the performance year to incorporate actual, observed trend.</p> <p>*The Pioneer Model adopted a new benchmarking methodology beginning in PY4. PY 1-3 methodology is available on the Pioneer Model webpage.</p>	<p>Benchmark calculated using a one-year historic baseline trended by a regional projected trend. IME and DSH to be incorporated in same manner as Pioneer.</p> <p>Regional prices incorporated into regional projected trend.</p> <p>Risk adjust using the CMS-HCC model to compare average risk between the baseline and performance year with a 3% cap on average risk score increases or decreases.</p> <p>Prospective: Benchmark set at the start of the performance year.</p> <p>Benchmark includes a discount that incorporates quality and efficiency adjustments and rewards both attainment and improvement.</p> <p>CMS intends to develop an alternative benchmark methodology for implementation in PY4.</p>
ACO Composition	<p>Split or Partial TIN Model: ACOs consist of Pioneer Providers/Suppliers, which are Medicare-enrolled providers and suppliers identified through unique TIN/NPI or TIN/CCN combinations.</p>	<p>Core ACO composition is identical to the Pioneer Model of split TIN Providers/Suppliers.</p> <p>Preferred Providers: Medicare-enrolled providers and suppliers (not Next Generation Providers/Suppliers) who may offer benefit enhancements to Next Generation Beneficiaries and participate in alternative payment mechanisms (in 2017 and later). Preferred Provider services furnished to Next Generation Beneficiaries will also count toward each beneficiary's Coordinated Care Reward calculation.</p>

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Beneficiary Alignment	<p>Beneficiaries prospectively aligned through claims.</p> <p>Began testing voluntary alignment (allowing beneficiaries to elect alignment to an ACO even if not aligned through claims) for PY4 (2015).</p>	<p>Beneficiaries aligned prospectively through claims. Claims-based alignment augmented with voluntary alignment beginning in PY2 (2017) (i.e., in PY1 (2016) beneficiaries will have the option to voluntarily align for PY2 (2017)).</p>
Payment Mechanism	<p>Most claims paid under traditional FFS. Pioneers may qualify to receive population-based payments. Under population-based payments (PBP), participating Pioneer Providers/Suppliers have FFS claims reduced and the ACO receives a monthly per-beneficiary per-month (PBPM) payment equal to the FFS reduction percentage.</p>	<p>Offers the option of four payment mechanisms:</p> <ol style="list-style-type: none"> 1. Normal FFS claims. 2. Normal FFS plus an additional PBPM infrastructure payment that is recouped against shared savings or in addition to losses. 3. PBP (same as Pioneer). 4. Capitation, in which the ACO receives monthly PBPM capitation payments and is responsible for paying claims for ACO providers (not available until PY2).
Benefit Enhancements	<p>CMS approved Pioneers may participate in a waiver of the SNF 3-day stay rule.</p>	<p>Next Generation ACOs offer enhanced benefits to aligned beneficiaries through its Providers/Suppliers and Preferred Providers. Next Generation ACOs may elect to participate in some, none, or all of the following benefit enhancements:</p> <ul style="list-style-type: none"> • SNF 3-Day Rule waiver • Telehealth originating site expansion • Post-Discharge Home Visits <p>All Next Generation Beneficiaries will be eligible for the CMS-funded</p>

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		beneficiary Coordinated Care Reward.
Quality	<p>Same as Medicare Shared Savings Program measure set.</p> <p>Quality score determines savings/losses sharing rate.</p>	<p>Same as Medicare Shared Savings Program measure set, except removing the EHR measure. Next Generation ACOs will be expected to already meet EHR criteria and demonstrate such in their applications.</p> <p>Quality score determines quality component of the benchmark discount.</p>
Reports	<p>Quarterly financial reports and monthly expenditure reports and Claims and Claim Line Feeds (CCLFs).</p>	<p>Same as Pioneer.</p>