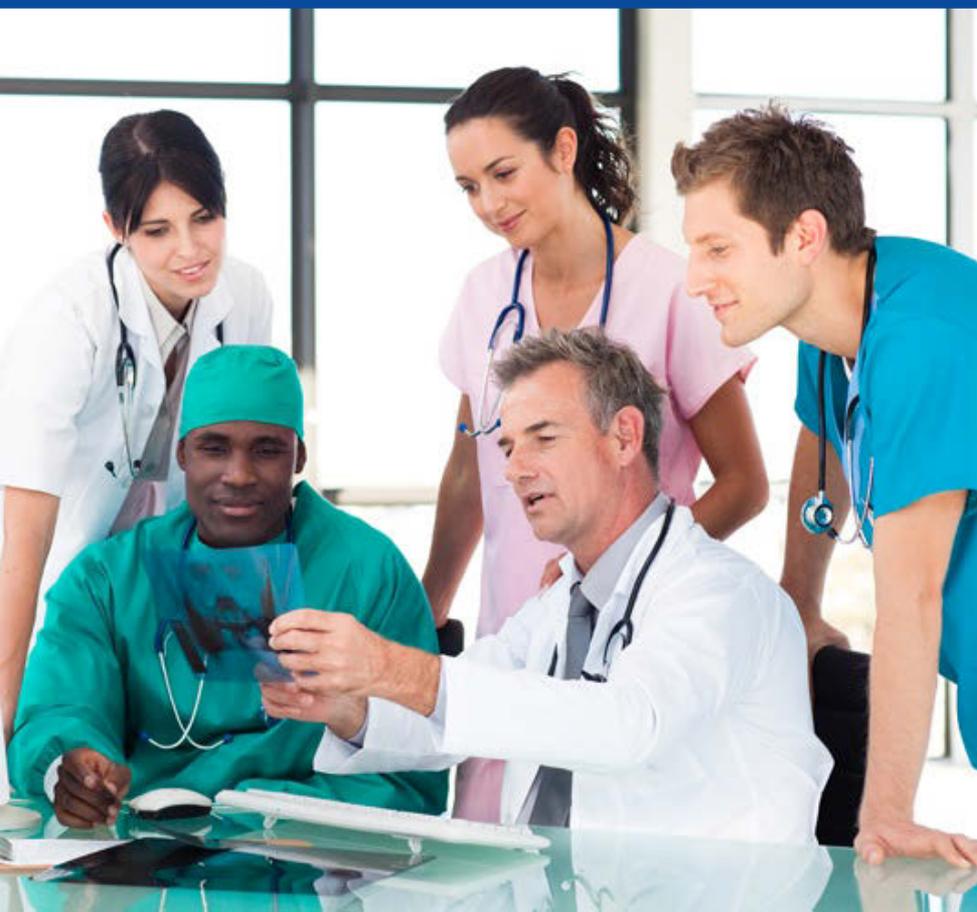


ACO Investment Model



*Application Guidance for ACOs that
Began Participating in the Medicare
Shared Savings Program in 2015 or will
begin in 2016*

*Stephen Jenkins,
AIM Model Lead
July 23, 2015*

Disclaimer

The comments made on this call are offered only for general informational and educational purposes. As always, the agency's positions on matters may be subject to change. CMS's comments are not offered as and do not constitute legal advice or legal opinions, and no statement made on this call will preclude the agency and/or its law enforcement partners from enforcing any and all applicable laws, rules and regulations. ACOs are responsible for ensuring that their actions fully comply with applicable laws, rules and regulations, and we encourage you to consult with your own legal counsel to ensure such compliance. Furthermore, to the extent that we may seek to gather facts and information from you during this call, we intend to gather your individual input. CMS is not seeking group advice.

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.

- *1) An upfront, fixed payment:* Each ACO will receive a \$250,000 payment in the first month of its participation in the Shared Savings Program.
- *2) 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.
- *3) A monthly payment of varying amount depending on the size of the ACO:* Each ACO will receive up to 24 monthly payments equal to the number of its preliminary, prospectively assigned beneficiaries multiplied by \$8.

ACO Investment Model Eligibility

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

- The ACO has a preliminary prospective beneficiary alignment of **10,000 or fewer beneficiaries**, as determined in accordance with the MSSP program regulations, unless the ACO is determined to be from a rural area using the application selection criteria.
- The ACO **does not include a hospital** as an ACO participant or an ACO provider/supplier (as defined by the MSSP 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.

Geographic Penetration

- With regards to our determination of “underserved”, the ACO Investment Model will use primary care service areas (PCSA’s) to identify whether an ACO is in an area of High (3 or more Medicare ACOs), Medium (1-2 Medicare ACOs) or Low (0 Medicare ACOs) ACO penetration by comparing the ACO against MSSPs existing ACO population.
- The breakdown of points awarded is as follows:

Geographic Penetration	Points (max 4 pts.)
High (3 or more Medicare ACOs in the primary service area)	0
Medium (1-2 Medicare ACOs in the primary service area)	2
Low (0 Medicare ACOs in the primary service area)	4

Rural Location

- The ACO Investment Model is defining areas as rural if the ACO's provider sites are located in nonmetropolitan counties or in metropolitan counties with Rural Urban Commuting Area (RUCA) codes between 4-10. During the application processing, provider sites will be aligned with RUCA codes and points will be awarded according to the ACO's total percentage of provider sites that meet that criteria.
- The breakdown of points awarded is as follows:

Rural Location	Points (max 4 pts.)
% of provider delivery sites in either: 1. nonmetropolitan counties, or 2. in areas with RUCA codes 4-10 in metropolitan counties	
< 65%	0
65-85%	2
> 85%	4

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 August 7, 2015 at 11:59pm.
 - All applications must be started by July 31, 2015 at 11:59pm.

Registration

CMS.gov

Centers for Medicare & Medicare Services

ACO Investment Model Online Application



Username

Password

Login

[Forgot Password?](#)

ACO Registration

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*)**
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*)**
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*)**
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.

Section E: Spend Plan

To begin your Spend Plan, please select a year from the drop down box. Spend plan instructions are provided via help boxes.

Section E: Spend Plan

*All fields are required unless noted as **optional**. Always click **Save** or **Save and Continue** before navigating to different sections or exiting the application, otherwise your data will not be saved.*

INSTRUCTIONS: To begin completing your spend plan, please select a year from the drop-down menu. Then select "Continue" to enter your yearly budget information. Alternatively, you can select the hyperlink for the initial year of your Spend Plan. If you would like to replicate the previous year's budget information, please select "Duplicate".

Please Select One ▾

Continue

Years			
2016	2017	2018	2019
Saved	Saved	Saved	Saved

Review Spend Plan

Budget Information
Expected Total AIM Funds to be Disbursed to ACO: \$ 2,530,000.00
Expected Total AIM Funds in Budget: \$ 1,676,779.52
Difference: \$ **853,220.48**
ACO Funds: \$ 400,828.05

Save and Continue

Section E: Spend Plan

Save and Continue Download PDF

Year: 2016		Quarter 1		Quarter 2		Quarter 3		Quarter 4		
Actions		AIM Funds	ACO Funds	AIM Funds	ACO Funds	AIM Funds	ACO Funds	AIM Funds	ACO Funds	
+ Add		Clinical Staff								
Edit	Delete	Arif's expense	23,234.02	3,232.00	10.00	2,000.00	10.00	10.00	10.00	10.05
Edit	Delete	Batman	200.00	4,570.00						
Edit	Delete	Doctor	20,001.00	20,001.00	20,001.00	20,001.00	20,001.00	20,001.00	20,001.00	20,001.00
Edit	Delete	Doctor1								
Edit	Delete	Oliver's Expense	10,000.00	10,000.00						
Edit	Delete	Test	2,323.00							
AIM Fund Clinical Staff Total: 115,791.02										
ACO Fund Clinical Staff Total: 99,826.05										
+ Add		Non-Clinical Staff								
Edit	Delete	Will's Expense	20,001.00	10,002.00						
AIM Fund Non-Clinical Staff Total: 20,001.00										
ACO Fund Non-Clinical Staff Total: 10,002.00										
+ Add		Contracted Labor								
AIM Fund Contracted Labor Total: 0.00										
ACO Fund Contracted Labor Total: 0.00										
+ Add		IT (Hardware/Software)								
Edit	Delete	Software Engineer	15,000.00	15,000.00						
AIM Fund IT (Hardware/Software) Total: 15,000.00										
ACO Fund IT (Hardware/Software) Total: 15,000.00										

Spend Plan Evaluation Rubric

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.

Spend Plan Evaluation Rubric

Criteria	Weight
Completeness and clarity of application (30% total weight)	
<ul style="list-style-type: none"> 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.) 	15%
<ul style="list-style-type: none"> Documentation of ACO's own investments in infrastructure 	15%
Feasibility (20% total weight)	
<ul style="list-style-type: none"> Feasible timeframe for procurement / activities / hiring within the first 24 months of the Agreement 	20%
Overall strength of plan and business case for investment (50% total weight)	
<ul style="list-style-type: none"> Compelling rationales for how each procurement / activity / hiring will support population care management, financial management, or other essential ACO functions 	30%
<ul style="list-style-type: none"> 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 	20%

Guidelines on Use of Funds

There are some guidelines on the use of AIM 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.***