

# Advance Payment Model Application Template

Updated: 02/16/2012

**IMPORTANT NOTE:** This application template is intended to help organizations interested in the Advance Payment ACO Model begin preparing the information required to apply. The Innovation Center will begin accepting applications for the July 2012 start date in March 2012 through a web-based application which will closely resemble this template. Additional instructions about using the web-based application will be made available at that time.

*This application uses the definitions of "ACO," "ACO participant," and "ACO provider/supplier" provided in the Shared Savings Program final rule and the application for that program.*

*Applying ACOs should answer these questions based on the information provided to CMS in applying for the Shared Savings Program. An ACO must apply for the Advance Payment Model with the same set of ACO participants as those that were designated in its Shared Savings Program application.*

## **SECTION A: ACO Contact Information**

*Answers in this section should match exactly with the corresponding information provided in the ACO's application to the Shared Savings Program.*

- Name of Accountable Care Organization
- ACO Address
- ACO City
- ACO State
- ACO Zip code
- Point of Contact (POC) First Name
- Point of Contact (POC) Last Name
- POC Title
- POC Address
- POC City
- POC State
- POC Zip Code
- POC Phone
- POC Email
- POC Fax

## **SECTION B: ACO Profile Information**

B-1 - What is your organization's ACO ID (as received in the ACO's Notice of Intent acknowledgement letter)? (5 character max)

B-2 - Has the applying ACO submitted an application to the Shared Savings Program with a planned start date of July 1, 2012?

B-3 - Name of person responsible for establishing Electronic Funds Transfer (EFT)

B-4 - Telephone for person responsible for establishing EFT

B-5 - Fax for person responsible for establishing EFT

B-6 - Email for person responsible for establishing EFT

B-7 - Is the bank account for deposits of payments in the Advance Payment Model the same as the bank account listed in the ACO's Shared Savings Program application for receipt of earned shared savings? [Yes/No]

## **SECTION C: ACO Organizational Structure**

C-1 - Is any ACO participant an inpatient facility or co-owned with an inpatient facility? [Yes/No] If NO, please proceed to question C-3. Do not answer C-2.

C-2 – If you answered NO to question C-1, do NOT answer this question. Proceed to question C-3. Is every inpatient facility in the ACO either a critical access hospital<sup>1</sup> or a low-volume rural hospital<sup>2</sup>? [Yes/No]

*ACOs are not eligible for the Advance Payment ACO Model if they include any inpatient facility that is not a critical access hospital or a low-volume rural hospital.*

C-3 - Is the ACO, or any ACO participant, co-owned with a licensed health insurance entity<sup>3</sup>? [Yes/No]

*ACOs that are co-owned with a licensed health insurance entity are not eligible for the Advance Payment ACO Model.*

## **SECTION D: ACO Financial Characteristics**

*Please complete the worksheet entitled Advance Payment Application Worksheet, and use the results to answer questions D-1 and D-2. The answer to question D-1 should correspond to the value in cell B5 of the "Revenue" tab of the worksheet. The answer to question D-2 should correspond to the value in cell B6.*

*For the purposes of completing the worksheet calculations and answering questions in this section, include the total revenue of all ACO participants and any organization that has a direct or indirect ownership interest of 5 percent or more in the ACO or in any of its participants. "Total annual revenue" means **all** revenue expressed net of contractual allowances and bad debts (but not charges) of each listed organization. Total revenue includes all revenue sources, not just Medicare revenue.*

D-1 - For 2009-2011, what was the average total annual revenue for all ACO participants and organizations with relevant ownership stakes?

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<sup>1</sup> A critical access hospital as defined at 42 U.S.C. 1395x.

<sup>2</sup> A low-volume rural hospital as defined at 42 U.S.C. 1395ww(d)). The definition of a low-volume rural hospital will change between 2012 and 2013. If a facility meets the 2012 definition throughout the term of the Advance Payment Model agreement, it will be considered eligible for this Model regardless of whether it meets the CMS definition of a low-volume rural hospital in later years.

<sup>3</sup> The definition of a licensed health insurance entity will vary by State, and CMS will defer to State law and regulation regarding whether an organization is a licensed health insurance entity.

D-2 - For 2009-2011, what percentage of average total annual patient-care revenues for ACO participants was derived from Medicaid (including Medicaid managed care)?

*As described in the instructions for the Advance Payment Application Worksheet, applicants may choose to use the “total annual revenue” figure as a proxy for “total patient-care revenues” if they do not wish to calculate this figure separately.*

D-3 - Applying ACOs that list “Other (please explain)” as the source of Total Revenue on the Advance Payment Application Worksheet are required to submit a description of how the listed revenue figure was derived, and from what sources. This description is required for each instance that “Other (please explain)” was selected, and identified by the applicable name of the ACO participant or organization. The narrative descriptions should be compiled into one Microsoft Word document and uploaded here.

D-4 - Upload the completed Advance Payment Application Worksheet here. The answers in this worksheet should correspond with your submitted answers.

*Failure to upload this completed document will result in this application being deemed incomplete and the applicant ACO ineligible for the Advance Payment Model.*

## **SECTION E: ACO Rural Location**

*For the purposes of selecting ACOs to participate in the Advance Payment ACO Model, additional points will be awarded to ACOs that have 65% or more of their providers and suppliers practicing in rural areas<sup>4</sup>. Applying ACOs are not required to detail the locations of all of their providers and suppliers if they do not believe they will meet this criterion.*

E-1 - Do 65 percent or more of the ACO’s providers and suppliers practice in rural areas? [Yes/No] If YES, please complete the “ACO Rural Location” tab of the Advance Payment Application Worksheet and use the results to answer question E-2. If NO, proceed to question F-1.

E-2 - What percentage of the ACO’s providers and suppliers practice in rural areas? *[This should correspond to cell B4 in the “ACO Rural Location” tab of the worksheet.]*

## **SECTION F: ACO Investment Plan**

F-1 Please explain how the ACO intends to use funds awarded as Advance Payments from CMS. Specifically, please include: (1) a description of the types of staffing and infrastructure that the ACO will acquire and/or expand, using the funding available through the Advance Payment Model; (2) the timing of such acquisitions or expansions and the estimated unit costs, (3) how such investments build on staff and infrastructure the ACO already has, or plans to acquire through its own upcoming investments; (4) and an explanation of how each investment will support the ACO in producing the three-part aim of better health, better health care, and lower per-capita costs for Medicare beneficiaries. Your response should be entered into a Microsoft Word document (.doc, .docx) or Adobe Acrobat pdf (.pdf) and uploaded here. *[Limit of 20,000 characters.]*

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<sup>4</sup> A rural location is defined as a non metropolitan county or an area within a metropolitan county with a RUCA code of 4-10.

**F-2** The default amount of Advance Payment will be determined by the formula described in the solicitation:

An upfront payment of \$250,000

An upfront payment equal to \$36 per preliminarily prospectively assigned beneficiary

A monthly payment of \$8 per preliminarily prospectively assigned beneficiary

The amount determined by the formula described in the solicitation is the maximum amount that will be paid to the applying ACO. The applying ACO may elect to receive less than this maximum by indicating an alternative maximum in question F-2. Advance Payments would still be distributed according to the amounts above, until the alternative maximum is reached. In the event that the amount determined by the default formula is less than the indicated amount, the applying ACO would receive the amount determined by the default formula.

The applying ACO would like to select an alternative maximum amount for Advance Payments. Enter the alternative maximum.

## **SECTION G: Certification and Signature**

G-1 – Please upload a document with the following text signed by the ACO’s Chief Executive Officer or Executive Director.

I have read the contents of this application. My signature (or electronic signature) legally and financially binds this ACO to the applicable laws and regulations of the Medicare program. By my signature, I certify that the information and statements contained herein (including worksheets and attachments) is true, accurate, and complete to the best of my knowledge and belief. I authorize the Center for Medicare and Medicaid Innovation (Innovation Center) to verify this information. If I become aware that any information in this application is not true, accurate, or complete, I agree to notify CMS of this fact immediately and provide the correct and/or complete information.

Signature of ACO CEO or Executive Director \_\_\_\_\_