

RELEASE: March 4, 2016

## Accountable Care Organization Investment Model (AIM)

### General Questions

**Q: What are you announcing today?**

A: The Centers for Medicare & Medicaid Services is announcing participants for the ACO Investment Model (AIM), an initiative designed for organizations participating as ACOs in the Medicare Shared Savings Program (Shared Savings Program). Developed by the CMS Innovation Center, AIM is a model of pre-paid shared savings that builds on the experience with the Advance Payment ACO Model to encourage new ACOs to form in rural and underserved areas and current Medicare Shared Savings Program ACOs to transition to arrangements with greater financial risk. The model is expected to provide a total of \$92 million in upfront and ongoing investments.

**Q: What is the AIM?**

A: The AIM is a new model of pre-paid shared savings that builds on the experience with the Advance Payment ACO Model. Please visit our website at <http://innovation.cms.gov/initiatives/ACO-Investment-Model/> for more information.

**Q: What is the purpose of the AIM?**

A: The AIM was developed in response to stakeholder concerns and research suggesting that some Shared Savings Program ACOs lack adequate access to the capital needed to invest in infrastructure necessary to implement population care management successfully.

This model aims to encourage ACO formation in areas of low ACO penetration in order to produce better care and lower costs for Medicare fee-for-service (FFS) beneficiaries (e.g., Original Medicare). CMS also believes that encouraging existing Shared Savings ACOs to transition to higher risk arrangements will increase the degree and speed at which ACOs can improve care for FFS beneficiaries and generate Medicare savings.

**Q: When did the AIM start?**

A: The AIM began in April 2015 for qualifying Shared Savings Program (Shared Savings Program) ACOs with start dates of April 1, 2012, July 1, 2012, or January 1, 2013. Shared Savings Program ACOs with start dates in 2014, 2015 or 2016 will join the model in January 2016.

**Q: Can my ACO join the AIM?**

A: Currently, there are no plans to open another application cycle and add more ACOs to this model after January 2016. If you are interested in participating in an ACO, we encourage you to look at the Shared Savings Program and the Next Generation ACO Model (NGACO Model), which will be accepting applications in the next year.

Shared Savings Program: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html>

NGACO Model: <https://innovation.cms.gov/initiatives/Next-Generation-ACO-Model/>

**Q: Whom do we contact if we have questions?**

A: Any questions about the model can be directed to [AIM@cms.hhs.gov](mailto:AIM@cms.hhs.gov).

**Participants**

**Q: How many ACOs participate in AIM?**

A: AIM consists of 45 participating ACOs, including 2 existing ACOs previously selected and 43 ACOs selected for a 2016 start. Of the 43 ACOs selected for a 2016 start, 2 are 2014 Shared Savings Program starters, 5 are 2015 Shared Savings Program starters and 36 are 2016 Shared Savings Program starters. The 43 new AIM participants serve approximately 417,000 beneficiaries.

**Q: How many Medicare beneficiaries do AIM ACOs serve?**

A: AIM participants serve a total over 434,000 beneficiaries nationwide.

**Q: Where are the AIM ACOs located?**

A: The AIM sought to encourage ACO development in rural and underserved areas, and this can be seen in the ACOs newly admitted to the model. Of the 43 newly accepted participants, 35 have at least 65 percent of their delivery sites in rural areas, and 24 have 85 percent or more of their delivery sites in rural areas. These rural areas are spread across the country with AIM ACOs located in 35 states.

35 States Represented by AIM Participants			
South	Midwest	West	Northeast
Alabama	Illinois	California	Maine
Florida	Indiana	Colorado	New Hampshire
Georgia	Iowa	Idaho	Pennsylvania
Kentucky	Kansas	Montana	Vermont
Mississippi	Michigan	New Mexico	
North Carolina	Minnesota	North Dakota	
South Carolina	Missouri	Oklahoma	
Tennessee	Nebraska	Oregon	
Texas	Ohio	South Dakota	
West Virginia	Wisconsin	Washington	
		Wyoming	

**Eligibility**

**Q: Who was eligible for this model?**

A: During the first application round, the AIM was available to ACOs who began participating in the Shared Savings Program on April 1, 2012, July 1, 2012, or January 1, 2013.

A second application round of the AIM made the AIM available to ACOs who began participating in the Shared Savings Program in 2014 or 2015 or January 1, 2016.

Other Eligibility Criteria:

- 1) The ACO must be accepted into and participate in the Shared Savings Program.
- 2) The ACO has completely and accurately reported quality measures to the Shared Savings Program in the most recent performance year, excluding ACOs that began participating in 2015 or 2016.
- 3) The ACO has a beneficiary assignment of 10,000 or fewer beneficiaries for the most recent quarter, as determined in accordance with the Shared Savings Program regulations, excluding ACOs that began participating in 2015 or 2016. An ACO with a 2015 or 2016 start date must have a beneficiary assignment of 10,000 or fewer, unless they are serving a rural area.
- 4) 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.
- 5) The ACO is not owned or operated in whole or in part by a health plan.
- 6) The ACO did not participate in the Advance Payment ACO Model.

**Q: Could an ACO which participated in the Advance Payment ACO Model, also participate in AIM?**

A: No, participants in the Advance Payment ACO Model were not eligible for this model

**Q: How did you select ACOs to participate among applicants?**

A: *Existing ACOs (April 1, 2012, July 1, 2012, January 1, 2013, or January 1, 2014 starters)*

Once determined eligible for the ACO Investment Model, applicants were scored and selected based on:

- Spend Plan Quality
- Quality performance in the most recent performance year.
- Financial performance in the most recent performance year.
- The commitment of the ACO to renewing its agreement under a two-sided risk track in its upcoming ACO agreement. ACOs starting in 2012 or 2013 would have to commit to renewing their agreement under a two-sided risk track starting in 2016. ACOs starting in 2014 would have to commit to renewing their agreement under a two-sided risk track starting in 2017.
- ACO's application demonstrated exceptional need for pre-paid shared savings

*New ACOs (Start Date in 2015 or 2016)*

Once determined eligible, applicants for this test under the ACO Investment Model were scored and selected based on:

- Spend Plan Quality
- ACO serves a rural area
- ACO serves an area with low access to coordinated care (i.e. low ACO penetration)
- ACO elects a two-sided risk track

- ACO's application demonstrated exceptional need for pre-paid shared savings

Applications were evaluated and scored by technical expert panel reviewers who were provided training in the evaluation process. ACOs were also interviewed to gather further information about their application.

## Payment

### **Q: What are the payment amounts?**

A: ACOs that began participation in the Shared Savings Program in 2015 or 2016 will receive an upfront fixed payment, an upfront variable payment, and an ongoing monthly payment.

- *An upfront, fixed payment:* \$250,000;
- *An upfront, variable payment:* \$36 per assigned beneficiary (based on preliminarily prospectively-assigned beneficiaries); and
- *A monthly payment of varying amount depending on the size of the ACO:* \$8 per beneficiary per month (based on preliminarily prospectively-assigned beneficiaries.)

ACOs that began participation in the Shared Savings Program on April 1, 2012, July 1, 2012, January 1, 2013 or January 1, 2014 will receive an upfront variable payment and an ongoing monthly payment.

- *An upfront, variable payment:* \$36 per assigned beneficiary (based on preliminarily prospectively-assigned beneficiaries); and
- *A monthly payment of varying amount depending on the size of the ACO:* \$6 per beneficiary per month (based on preliminarily prospectively-assigned beneficiaries).

### **Q: What if an ACO only needed a portion of those funds?**

A: The model does not make partial payments. However, the ACO may reserve any unspent funds to apply against future recoveries.

### **Q: When does the AIM begin making payments?**

A: The initial payment for the first round of participants began early in the second quarter of calendar year 2015 and will continue for up to two years, as long as the ACO continues to participate in the Shared Savings Program. The initial payment for the second round of participants entering AIM will begin in the first quarter of 2016.

### **Q: What are the restrictions for using money provided in this model?**

A: Unacceptable uses of advance payment include but are not limited to:

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

An ACO may request to use Model funds for these "unacceptable uses" when they submit a revised spend plan for approval. Their justification will be evaluated and a determination will be made about whether the restriction will be lifted.

If you have questions about whether a particular type of investment is allowable under the ACO Investment Model, please contact program staff at [AIM@cms.hhs.gov](mailto:AIM@cms.hhs.gov).

## **Recovery**

### **Q: Do ACOs have to repay the money?**

*A: Existing ACOs (April 1, 2012, July 1, 2012, January 1, 2013, or January 1, 2014 Shared Savings Program starters)*

Repayment is required for the AIM ACOs that began participation in the Shared Savings Program on April 1, 2012, July 1, 2012, January 1, 2013, or January 1, 2014. CMS will recover payments from earned shared savings for as long as the ACO remains in the Shared Savings Program. If the ACO ceases participation in the AIM or Shared Savings Program before repaying the full amount, the outstanding balance will be due at that time. Applicants will be required to obtain a financial guarantee to cover at least 50 percent of the total anticipated payments.

*New ACOs (2015 and 2016 Shared Savings Program starters)*

CMS will recover payments from earned shared savings for as long as the participant remains in the Shared Savings Program. CMS will recover all pre-payments up to the total shared savings earned by the ACO, but will not pursue amounts in excess of the earned shared savings. Should an ACO not earn sufficient shared savings in the first Shared Savings Program agreement period to fully repay pre-payments, and should the ACO not enter a second Shared Savings Program agreement period, then CMS will not pursue full recovery of remaining pre-payments from that ACO. CMS will pursue full recovery of pre-paid shared savings from any ACO that does not complete its initial Shared Savings Program agreement period or the full term of the AIM agreement.

CMS may terminate an ACO's Shared Savings Program agreement and the AIM agreement should the ACO fail to comply with regulations and terms of the Shared Savings Program agreement. CMS may terminate the AIM agreement and recover all pre-paid shared savings payments from any ACOs that expend funds in a manner inconsistent with the approved spend plan.

### **Q: How does an ACO repay the money?**

*A: Money will be deducted from an ACO's earned shared savings each year for as long as the ACO remains in the Shared Savings Program. For ACOs that began participation in the Shared Savings Program on April 1, 2012, July 1, 2012, January 1, 2013, or January 1, 2014, applicants will be required to obtain a financial guarantee to cover at least 50 percent of the total anticipated payments in the event that the ACO leaves or is terminated from the AIM or Shared Savings Program.*

### **Q: What if an ACO cannot repay the money?**

*A: If an ACO began participation in the Shared Savings Program on April 1, 2012, July 1, 2012, January 1, 2013, or January 1, 2014, they are required to obtain a financial guarantee against which money can be recouped.*

**Q: If an ACO chooses to leave the Shared Savings Program will they have to repay the money?**

A: If an ACO began participation in the Shared Savings Program on April 1, 2012, July 1, 2012, January 1, 2013 or January 1, 2014 and subsequently ceases participation in the AIM or the Shared Savings Program before repaying the full amount, the outstanding balance will be due at that time.

If an ACO begins participation in the Shared Savings Program in 2015 or 2016 and subsequently does not complete the full agreement period, the outstanding balance will be due. After completing the first or any following Shared Savings Program agreement periods in good standing, and should the ACO not enter into a subsequent Shared Savings Program agreement, any outstanding balance will be forgiven.

**Q: Will there be an evaluation of the AIM? And are participants required to participate in the evaluation?**

A: Yes, as with other CMS Innovation Center Models, there will be an evaluation of the AIM. Model participants will be required to submit data and information to the CMS evaluation contactor.

The evaluation of this model will determine whether these payments: 1) increase Shared Savings Program participation by ACOs that meet the eligibility criteria; 2) sustain ACO participation; and 3) move ACOs to greater levels of risk. In addition, this model will be evaluated to determine how each of these changes increase the level and/or speed at which ACOs improve the quality of care for Medicare beneficiaries, lower the cost of care, and improve the health of Medicare beneficiaries.