

# Pathways to Success: The New Shared Saving Program for Eligible Clinicians in 2019

The Shared Saving Program is CMS' (Centers for Medicare & Medicaid Services) way of offering hospitals, clinicians, and other healthcare professionals a way to create an Accountable Care Organization (ACO).

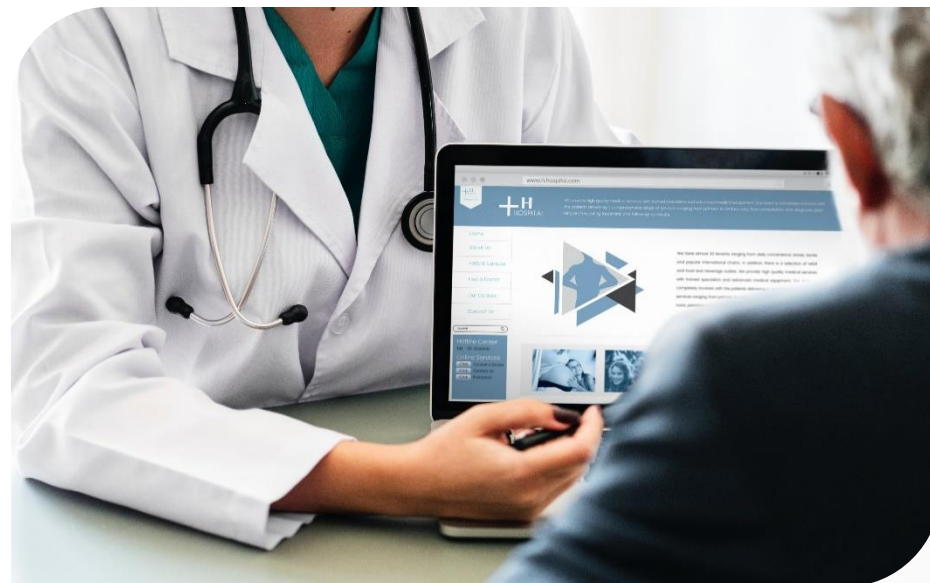


An ACO is an organization that has been assigned Medicare fee-for-service beneficiaries and is accountable for the quality of care, cost and overall patient experience for these beneficiaries. This payment model assists CMS in creating a payment arrangement, where organizations are responsible for high quality care and better patient outcomes with lower expenditures.

In this payment model, as the name suggests, ACOs receive a share of any savings they generate while meeting the program requirements and quality performance thresholds. If the ACO is participating in a two-sided model and exceeds the spending benchmark, they must pay back some of that excess to CMS.



Currently, Shared Savings Program ACOs serve more than 10.5 million Medicare fee-for-service (FFS) beneficiaries.



## Shared Savings Program in 2017-2018

In 2017 and 2018 performance years, ACOs had the following options to choose from:

### *One-Sided Risk Model*

**Shared Savings Track 1:** In this track, the ACO only shares in the cost savings. The eligible clinicians in this ACO participate in the Quality Payment Program (QPP) as a MIPS APM, which means that they report under the Merit-Based Incentive Payment System (MIPS) and receive points based on the APM scoring standard.

### *Two-Sided Risk Models*

**Shared Savings Track 1+:** This track takes a two-sided risk for providing coordinated, high quality, and efficient care.

**Shared Savings Track 2:** This track takes a two-sided risk for providing coordinated, high quality, and efficient care. The risk of shared losses or shared savings is higher than Track 1+.

**Shared Savings Track 3:** This track takes a two-sided risk for providing coordinated, high quality, and efficient care. The risk of shared losses or shared savings is higher than Track 1+ or Track 2.



## Shared Saving Program In 2019

Beginning July 1, 2019, ACOs can choose to enter into a 5-year agreement from two ACO tracks: BASIC and ENHANCED. Eligibility criteria will depend on ACO participants' Medicare FFS revenue and any previous experience with performance-based risk Medicare ACO initiatives.

**BASIC Track:** This track's glide path allows ACOs to start off with a one-sided risk model and gradually phase-in to the two-sided risk models

**Level A:** This model is an introduction for low revenue ACOs and high revenue ACOs that are inexperienced with performance-based risk to get accustomed to the Shared Savings Program

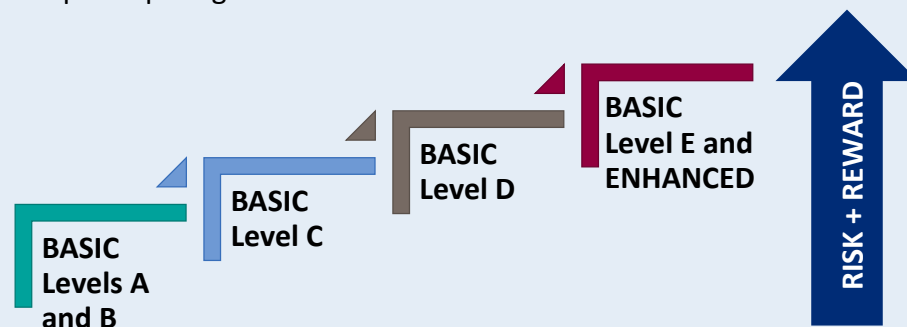
**Level B:** This model allows Level A ACOs to remain in the one-sided risk model for one to two years before choosing or moving into the two-sided risk model

**Level C:** This model transitions inexperienced ACOs in Medicare ACO initiatives to participate in the two-sided risk models

**Level D:** This model enables the ACOs to take on a higher level of risk compared to Level C. In this level the ACO will not have an option to elect to take on higher risk and will move directly to Level E.

**Level E:** This model offers the highest level of risk sharing under the BASIC track

**ENHANCED Track:** This track is based on the Track 3 specifications, it offers the highest level of risk and potential reward by allowing additional participation options, providing additional tools and flexibilities to the participating ACOs under this track.



## Tools and Flexibilities for “Pathways to Success” Participation

Track	BASIC – Glide Paths A-E				ENHANCED
	Levels A and B	Level C	Level D	Level E	
Advanced APM	No	No	No	Yes	Yes
Beneficiary Incentive Program	No	Yes, ACOs may establish an approved program starting July 1, 2019, or in subsequent years	Yes, ACOs may establish an approved program starting July 1, 2019, or in subsequent years	Yes, ACOs may establish an approved program starting July 1, 2019, or in subsequent years	Yes, ACOs may establish an approved program starting July 1, 2019, or in subsequent years
Expanded Telehealth Services	N/A	Yes, available to ACOs electing prospective assignment methodology for performance year 2020, and subsequent years	Yes, available to ACOs electing prospective assignment methodology for performance year 2020, and subsequent years	Yes, available to ACOs electing prospective assignment methodology for performance year 2020, and subsequent years	Yes, available to ACOs electing prospective assignment methodology for performance year 2020, and subsequent years
3-Day SNF Rule Waiver	N/A	Yes, ACOs may apply to start on July 1, 2019, and in subsequent years	Yes, ACOs may apply to start on July 1, 2019, and in subsequent years	Yes, ACOs may apply to start on July 1, 2019, and in subsequent years	Yes, ACOs may apply to start on July 1, 2019, and in subsequent years
Annual Choice of Beneficiary Assignment Methodology	Yes	Yes	Yes	Yes	Yes

## BASIC and ENHANCED Track Characteristics

Track	BASIC - Glide Paths A-E				ENHANCED
	Levels A and B	Level C	Level D	Level E	
<b>Shared Savings</b> (Once MSR* is met or exceeded)	1st dollar savings at a rate up to <b>40%</b> based on quality performance; not to exceed <b>10%</b> of updated benchmark	1st dollar savings at a rate up to <b>50%</b> based on quality performance; not to exceed <b>10%</b> of updated benchmark	1st dollar savings at a rate up to <b>50%</b> based on quality performance; not to exceed <b>10%</b> of updated benchmark	1st dollar savings at a rate up to <b>50%</b> based on quality performance; not to exceed <b>10%</b> of updated benchmark	1st dollar savings at a rate up to <b>75%</b> based on quality performance; not to exceed <b>20%</b> of updated benchmark
<b>Shared Losses</b> (Once MLR** is met or exceeded)	<b>N/A</b>	1st dollar losses at a rate of <b>30%</b> , not to exceed <b>2%</b> of ACO participant revenue capped at 1% of updated benchmark	1st dollar losses at a rate of <b>30%</b> , not to exceed <b>2%</b> of ACO participant revenue capped at 1% of updated benchmark	1st dollar losses at a rate of <b>30%</b> , not to exceed the percentage of revenue specified in the <b>revenue-based nominal amount standard</b> under QPP capped at 1 percentage point higher than the benchmark nominal risk amount	No change. 1st dollar losses at a rate of 1 minus final sharing rate, with minimum shared loss rate of <b>40%</b> and maximum of <b>75%</b> , not to exceed <b>15%</b> of updated benchmark
<b>Annual election</b> (to enter higher risk)	<b>Yes</b> , but new low revenue ACOs may elect an additional year under Level B if they commit to completing the remainder of their agreement under Level E	<b>Yes</b>	<b>No</b> ; ACO will automatically transition to Level E at the start of the next performance year, except for July 1, 2019 starters that elect to enter at Level D	<b>No</b> ; maximum level of risk / reward under the BASIC track	<b>No</b> ; highest level of risk/reward under Shared Savings Program

\***MSR – Minimum Savings Rate:** ACOs that meet or exceed the MSR will be eligible to have share in savings. Savings are calculated as the difference between the updated benchmark and actual expenditures.

\*\***MLR – Minimum Loss Rate:** ACOs may also incur a loss if actual expenditures exceed the updated historical benchmark equal to or greater than the MLR.