Medicare Accountable Care Organizations: Presence in Rural America

Webinar Presentation - Session 3

Rural Northern Border Healthcare Support Technical Assistance Center

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By

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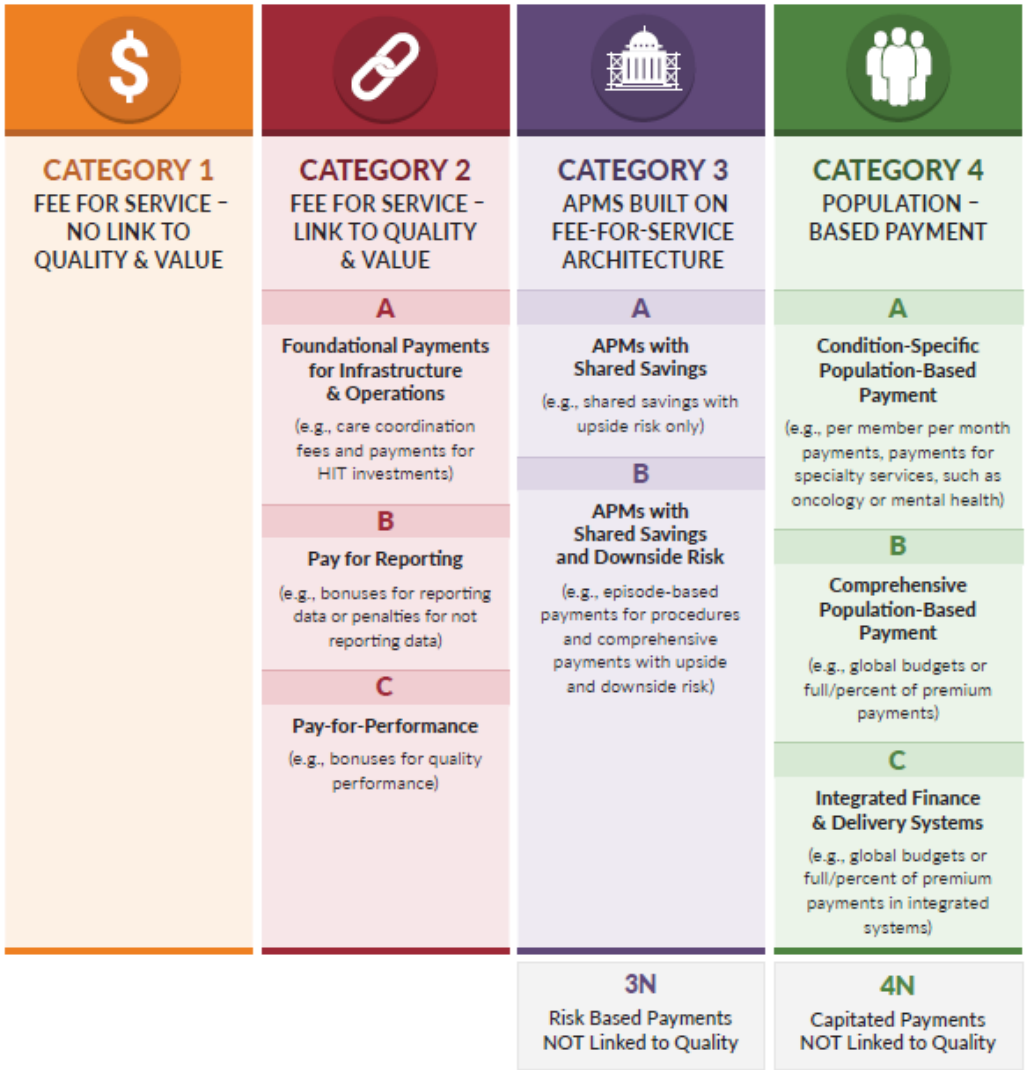
Landscape: Federal Policy Goals

- Getting to categories 3 and 4 of HCPLAN model: alternative payment models with both upside shared savings and downside risk; population-based payment
- Federal policy goals to reach 100% of beneficiaries in an advanced payment model by 2030 – applied to both Medicare (directly) and Medicaid (through letters to state Medicaid directors)
- Specific actions
  - Medicare Shared Savings Program – the program, not demonstrations
  - Other designs to shift downside risk to providers (global budgets, direct contracting, i.e. ACO REACH)
  - Eye on the prize: quadruple aim

Health Care Payment Learning and Action Network (HCP LAN) Alternative Payment Model Framework



Source: http://hcp-lan.org/workproducts/apm-framework-onepager.pdf

Shared Savings Program

Plateau of 561 in 2018, fell to 456 in 2023

Composition in 2023

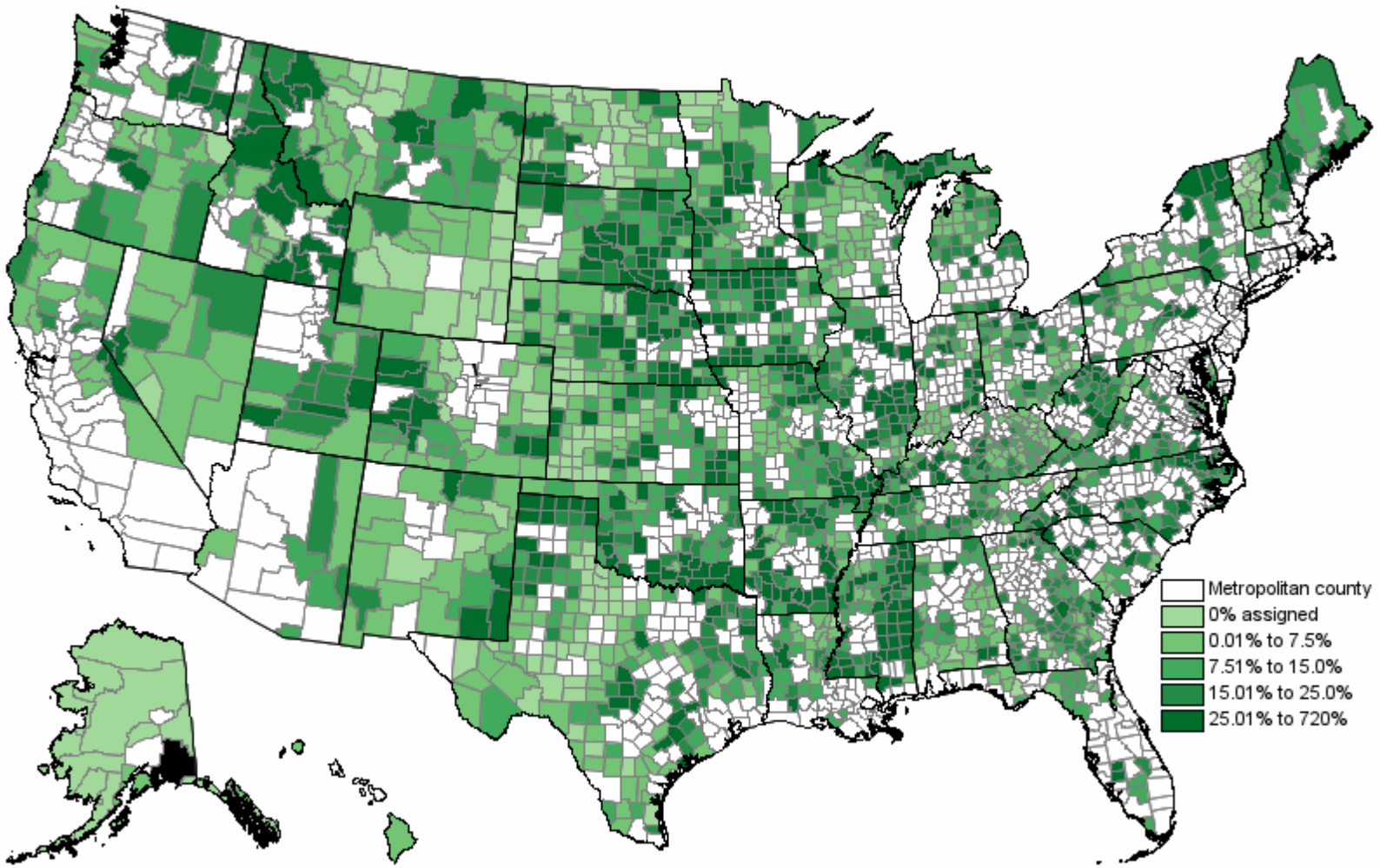
252 low revenue (55%)	2,240 Rural Health Clinics	467 Critical Access Hospitals	One-sided: 33% (151)	Two-sided include 144 in basic tracks, 161 in enhanced track	Source: CMS: Savings Program Fact Facts – As of January 1, 2023

ACO Spread - 2023

Medicare Shared Savings Program ACO Assigned Beneficiary Population by Rural County

Note: This lists the Beneficiaries Assigned to an MSSP ACO by Rural County

In 2023, 467 CAHs are part of an MSSP ACO



Source: [CMS - Medicare Shared Savings Program Fast Facts]

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SSP Changes 2023 for 2024

- Longer time in Basic track A, for inexperienced ACOs: (upside risk only): up to 7 years
- Advanced Interest Payment: one-time $250,000 and quarterly per-beneficiary payments for first 2 years
- Changes to minimum savings rate (MSR) to allow shared savings at half regular rate until MSR is met
- Introduce Accountable Care Prospective Trend to adjust benchmarks calculated based on national and regional rates
- Reduce Negative Regional Adjustment Cap from 5% to 1.5%

SSP Changes 2023 for 2024

- Adjustment for Prior Savings: Adding back into benchmark a portion of savings generated by ACOs
- Risk Score Growth Cap Adjustment: allow flexibility within a 3 percent cap on growth in the risk score
- Sliding Scale for Shared Savings and Losses: allow percentage of shared savings when ACO quality performance is below 30th percentile but at least in 10th percentile in of four outcome measures

Source: Medicare Shared Savings Program: Rule Changes and Implications for Rural Health Care Organizations. *Rural Health Value Policy Brief*. 2022. https://ruralhealthvalue.public-health.uiowa.edu/files/RHV%20MSSP%20Rule%20Changes%20and%20Implications.pdf

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Landscape: State Policies

- Medicaid payment policy, including requirements built into contracts with Managed Care Organizations (MCOs) – 29 require MCOs to implement VBP models; 26 define the types of VBP models
- State regulatory policies facilitate or inhibit change
- CMS role of transmittal letters to state Medicaid directors:
  - ✓January 7, 2021, letter re opportunities to address SDOH
  - ✓January 4, 2023, CMS guidance re SDOH waivers

Sources: Most States Require Managed Care Organizations to Implement VBP Models with Providers. *Insights* Guidehouse. July 19, 2022. https://guidehouse.com/insights/healthcare/2022/blogs/managed-care-implement-vbp-models?lang=en

For further information

- The RUPRI Health Panel http://www.rupri.org
- The RUPRI Center for Rural Health Policy Analysis http://cph.uiowa.edu/rupri
- Rural Health Value http://www.ruralhealthvalue.org

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