

## New Medicare shared-savings model friendlier to small practices

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Staff News Writer

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Physicians can now take the first step if they want to participate in a new Medicare shared-savings model designed to make the program more attractive to small practices. It limits the downside risk for participants while allowing them to collect the lump-sum bonus formerly allowed only for riskier plans.

The deadline for submitting a non-binding notice of intent to apply in the Medicare accountable care organization (ACO) model Track 1+ is May 31, noon EDT. The new advanced Alternative Payment Model (APM) option begins in 2018 and includes small hospitals along with eligible practices. The Centers for Medicare and Medicaid Services (CMS) hopes to recruit 70,000 clinicians to qualify for APM incentive payments. New ACOs and current Track 1 participants are eligible to apply.

“The AMA supports CMS as it expands the models that can qualify as advanced APMs, allowing more practices to be eligible for 5 percent Medicare bonus payments,” AMA President Andrew W. Gurman, MD, said in a statement. “We hope that CMS will continue to expand the list of advanced APMs in the future so new delivery and payment arrangements can be supported and promoted.”

Track 1+ was first announced in the sweeping Medicare Access and CHIP Reauthorization Act (MACRA) final rule in October 2016, with model details fleshed out in December. It marks a new entry point to the Medicare Shared Savings Program (MSSP), now almost entirely consisting of Track 1 ACOs.

That option carries no downside risk, and the same 50 percent maximum shared-savings rate of Track 1+, but does not make practices eligible for the 5 percent participation bonus. The Track 1+ loss-sharing rate is 30 percent. Among the small number models eligible for advanced APM bonuses are Tracks 2 and 3. They reflect increasing levels of both savings incentives and downside risk—up to 75 percent for shared savings and up to 75 percent for shared loss.

In anticipation of the December announcement, the AMA joined with nine other major health care organizations in writing to CMS, underscoring the need for a Track 1+ program that is workable for

ACOs, especially in providing a manageable level of risk.

Other MSSP models “include risk levels that are significantly higher than what the vast majority of ACOs can bear and therefore are not viable for most ACOs,” the organizations wrote of the often struggling ACOs, noting figures indicating a less than a third of MSSP ACOs failed to earn shared savings in 2015. They added, “it is critical that CMS develop Track 1+, which would provide a much needed option that enhances accountability for costs but does so in a manner more appropriate for ACOs.” Among the other signatories are the National Association of ACOs, the American College of Physicians, the American Hospital Association and the Medical Group Management Association.

In addition to the bonus and comparatively reduced risk, other Track 1+ elements include:

- A limit on the 30 percent loss-sharing rate, based on 8 percent of Medicare fee-for-service payments or 4 percent of the ACO’s updated historical benchmark. Which cap applies is determined by the ACO’s composition.
- Prospective beneficiary assignment, which allows the ACO to know which patients it will be accountable for in measuring performance.
- A process to apply for waivers from Medicare’s skilled nursing facility (SNF) three-day stay rule, which mandates a patient stay of at least three consecutive days as a requirement for SNF coverage.
- A participation limit of three years.

The 8 percent level on the revenue-based loss sharing cap and the SNF three-day waivers were among recommendations advocated for in the letter sent by the AMA and other organizations. Prospective beneficiary assignment and SNF waiver are features Track 1+ shares with greater shared-risk Track 3.

CMS has prepared a guidance document on submitting the May intent notice. The formal application period is July 1–July 31. The CMS “How to Apply” website has detailed information on the MSSP application process. Practices accepted for Track 1+ will be notified in the late fall.