



COVID-19 and ACOs Factsheet

In response to receiving a number of questions related to the COVID-19 pandemic, NAACOS has developed this fact sheet reviewing information on how ACOs may be affected by the spread of this virus.

How might ACOs be affected by the COVID-19 pandemic?

ACOs may see strains on the health system as patients present with COVID-19, particularly those ACOs located in areas with rapid community spread of the disease. Widespread shelter-in-place policies are causing disruptions in chronic care management and delays in care management generally, which create challenges in controlling spending and utilization during and after the pandemic.

How will CMS adjust financial reconciliations as a result of the COVID-19 pandemic?

The Medicare Shared Savings Program (MSSP) has an extreme and uncontrollable circumstances policy in place that aims to provide support to ACOs affected by natural disasters and other uncontrollable circumstances. Under this policy, the Centers for Medicare & Medicaid Services (CMS) will mitigate the amount of shared losses an ACO must pay back to CMS should it be affected by an extreme and uncontrollable circumstance by an amount determined by multiplying: (1) the percentage of the total months in the performance year affected by an extreme and uncontrollable circumstance and (2) the percentage of the ACO's assigned beneficiaries who reside in an area affected by an extreme and uncontrollable circumstance.

Early this spring, CMS released an interim final rule with comment period (IFC) invoking the MSSP extreme and uncontrollable circumstances policy for the COVID-19 public health emergency (PHE). This IFC was initially released March 30 and the [rule](#) was published in the Federal Register April 6th. In this April 6 IFC, CMS specifies that 100 percent of assigned beneficiaries for all MSSP ACOs will be determined to reside in an affected area.

A second IFC was initially issued April 30 and the [rule](#) was published in the Federal Register May 8th. This May 8 IFC clarified that the number of affected months will begin with January and continue through the end of the PHE. The PHE was extended to July 21, 2020 and updates on the duration of the PHE can be found on this [webpage](#). As a result of NAACOS [advocacy](#), CMS makes several important updates to the extreme and uncontrollable circumstances policy to provide additional support and relief to ACOs. Key updates include:

- Adjusting MSSP calculations to mitigate the impact of COVID-19 by removing all of a beneficiary's Part A and B expenditures for affected months triggered by an episode of care (identified by inpatient care for treatment of COVID-19) from performance year expenditures and removes those expenditures from future benchmarks, updates to the historical benchmarks (i.e., trend rates), and revenue calculations for determining loss sharing limits for certain ACOs,
- Canceling the application cycle for new ACOs to enter the MSSP in 2021,

- Allowing ACOs whose current agreement periods expire on December 31, 2020, the option to extend their existing agreement periods by one year (ACOs extending their agreements for an additional year would remain under their existing historical benchmarks for that year),
- Allowing ACOs in the Basic Track's glide path the option to elect to maintain their current level of participation for performance year (PY) 2021, therefore not assuming higher levels of risk,
- Altering the extreme and uncontrollable circumstances policy to specify that the PHE began in January 2020,
- Including services provided virtually through telehealth, virtual check-ins, e-visits or telephone in the definition of primary care services used in the MSSP assignment methodology, effective January 1, 2020, and for any subsequent performance year that starts during the PHE,
- Increasing reimbursement for newly introduced audio-only telehealth services,
- Waiving the video requirement for certain evaluation and management services delivered via telehealth, and
- Easing regulatory requirements for COVID-19 testing, while increasing the availability to get reimbursed for COVID-19 testing.

NAACOS has developed a summary of the May 8 IFC with additional details, available [here](#).

How is MSSP quality adjusted as a result of the COVID-19 pandemic?

The MSSP has an extreme and uncontrollable circumstances policy in place that aims to provide support to ACOs affected by natural disasters and other uncontrollable circumstances. Under this policy, if an ACO is unable to report quality due to the extreme and uncontrollable circumstance, the ACO's quality score will be set to the mean quality performance score for all MSSP ACOs for the applicable performance year. However, if the ACO is able to completely and accurately report all quality measures, CMS will use the higher of the ACO's quality performance score or the mean quality performance score for all MSSP ACOs. In the April 6 IFC, CMS invoked the MSSP extreme and uncontrollable circumstances policy for the COVID-19 public health emergency (PHE). CMS also notes in this IFC that they may consider making further changes to this policy as it related to quality assessments for 2020, in future rulemaking. NAACOS is advocating for CMS to make all quality measures pay-for-reporting in 2020 due to the impact of the COVID-19 pandemic.

How will emergency funding bills passed by Congress assist ACOs financially?

Congress has taken multiple steps to aide those in the health system who might be adversely impacted by the COVID-19 pandemic. On March 6, President Trump signed an [emergency appropriations package](#) that provides \$8.3 billion to federal, state, and local agencies to combat the coronavirus. Coronavirus Aid, Relief, and Economic Security ([CARES Act](#)), which was signed into law on March 27, allocated \$350 billion for a Paycheck Protection Program (PPP), providing small business zero-free loans. The [Paycheck Protection Program and Health Care Enhancement Act](#), enacted on April 24, replenished that pool of money. All pieces of legislation offered additional support for the health system, including money for testing, emergency response, and disaster relief. Congress has also granted \$175 billion in aid that doesn't have to be repaid to make up for lost revenue.

Can ACOs apply for accelerated and advanced payments through their MAC?

On April 26, CMS said it [was suspending](#) and reevaluating its Accelerated and Advance Payment Program. The program had been expanded by CMS on March 28 to a broader group of both Medicare Part A and Part B providers and suppliers in order to increase cash flow to those affected by COVID-19. This provided expedited advance payments during the period of the PHE to any qualifying provider who submitted a

request to their Medicare Administrative Contractor (MAC). Most applicants were able to request up to 100 percent of the Medicare payment amount for a three-month period and up to a six-month period for certain acute care hospitals. CMS extended the repayment of these accelerated/advance payments to begin 120 days after the date of issuance of the payment. More information is available in the CMS [press release](#) and [fact sheet](#). Please note these advanced payments are for providers and suppliers, not ACOs and therefore payments would be made directly to the provider.

Can ACOs take advantage of small business loans from the CARES Act?

The [CARES Act](#) provided funding to small businesses to assist during the COVID-19 pandemic, including a Paycheck Protection Program (PPP), providing forgivable loans to qualifying small businesses of up to \$10 million. We believe many of the physician-led ACOs and some medical groups that are part of hospital-based ACOs will be eligible for these loans, they could provide up to eight weeks of payroll, rent, and other expenses. These loan applications are accepted through U.S. Small Business Administration (SBA) approved lenders. Many lending banks require a previous business relationship to make the loan and some banks may not be lending. It is advised that interested organizations contact their bank early, as the demand for the loans will be significant. The SBA's loan guidance and resources are available [here](#). Additionally, the SBA has made available the Economic Injury Disaster Loan Assistance (EIDL) program for small business owners providing up to \$2 million to qualifying applicants. The EIDL application is now open and can be accessed [here](#). Businesses are not eligible to receive both loans.

How will the Center for Medicare and Medicaid Innovation (Innovation Center) help Next Generation Model ACOs strained by the COVID-19 pandemic?

The Next Generation Model (NGACO) participation agreement states the following:

CMS may at CMS's sole discretion, retroactively modify the projected trend used in calculating the Performance Year Benchmark if CMS determines that exogenous factors, such as a natural disaster, epidemiological event, legislative change and/or other similarly unforeseen circumstance during the Performance Year, renders the projected trend invalid for assessing the expected level of spending between the Base Year and Performance Year in the population of NGACO reference beneficiaries.

NAACOS is advocating for the Innovation Center to make such adjustments given the widespread impact of COVID-19, an epidemiological event, and is advocating to extend the Next Generation Model for at least another year.

Additionally, according to an email sent to NGACO participants on April 28, NGACOs will be given their 2018 quality performance scores if measure(s) are not reported for 2019 due to the COVID-19 public health emergency. Specifically, the email notes: "If the ACO participating in the NGACO Model is unable to complete reporting on the Web Interface (WI) measures, CMS will apply the ACO's 2018 performance rates to calculate the ACO's 2019 overall quality score used in determining shared savings and losses. If the ACO completed reporting on some of the WI measures but not all, the 2019 performance rates will be applied to the completely reported measures and 2018 performance rates will be applied to the incompletely reported measures." There have been no model announcements thus far on how quality assessments will be handled for 2020 for the NGACO model.

What will happen if my ACO is unable to report quality or MIPS data by the deadline due to shifting priorities and staff on quarantine/isolation?

As a result of NAACOS advocacy, CMS [announced](#) ACOs had until April 30, 2020 to report 2019 quality data. Previously, ACOs were required to submit this data by March 31, 2020. Additionally, CMS extended the Merit-Based Incentive Payment System (MIPS) reporting deadline to April 30 and those that did not

submit *any* MIPS data by that time will qualify for the automatic extreme and uncontrollable circumstances policy and will receive a neutral payment adjustment for the 2021 MIPS payment year. This announcement came after NAACOS and nine other healthcare organizations submitted a NAACOS-led [letter](#) to CMS requesting a delay of the 2019 reporting deadlines. NAACOS also asked for relief around participation in and data reporting options for 2020, and CMS subsequently noted they are evaluating options for providing relief around participation and data submission for 2020. NAACOS will keep members updated of further changes as we continue our advocacy to provide ACOs with relief from regulatory requirements due to COVID-19.

Additionally, as explained above, the MSSP extreme and uncontrollable circumstances policy will assist ACOs who are unable to report quality for performance year 2020. In these cases, the ACO's quality score will be set to the mean quality performance score for all MSSP ACOs for the 2020 performance year. However, if the ACO is able to completely and accurately report all quality measures, CMS will use the higher of the ACO's quality performance score or the mean quality performance score for all MSSP ACOs.

Will CMS extend the 2021 MSSP/Direct Contracting application deadlines?

In the May 8 IFC, CMS announced that due to upheaval from the COVID-19 pandemic, the agency will not have a 2021 MSSP application process, which is very disappointing for NAACOS and those planning to join the MSSP in 2021. NAACOS is advocating that the agency reconsider and, at the very least, offer an opportunity to apply later for an abbreviated 2021 performance year. ACOs with agreements expiring at the end of 2020 have an opportunity to extend those agreements for an optional fourth year and ACOs continuing in the program can make other annual updates such as adding participant TINs or applying for waivers. More information on 2021 details and timeframes are available on this CMS [webpage](#).

In March, the Direct Contracting Application portal was briefly opened inadvertently. While open, the portal showed an application deadline of May 29 indicating the Innovation Center was extending the May 1 deadline. However, the portal was closed soon and did not reopen for the application period. NAACOS has repeatedly asked the Innovation Center for news on the model's future and will alert members when an update is available.

Has CMS expanded the use of the SNF 3-day payment rule waiver as a result of COVID-19?

As part of the emergency declaration issued on March 13, CMS is waiving Medicare's requirement that patients have a 3-day inpatient hospitalization prior to admission to a skilled nursing facility (SNF). This effectively makes the SNF 3-day waiver available to all Medicare providers and not just to ACOs who have applied for the waiver. Additionally, CMS is allowing SNF coverage for beneficiaries who have exhausted their SNF benefits, meaning these patients don't have to wait for a new benefit year.

How has CMS expanded the use of telehealth waiver as a result of COVID-19?

In multiple COVID-relief packages passed in March, Congress greatly expanded the telehealth services Medicare will cover during public health emergencies. This includes waiving restrictions on sites of care and geographic location, making patients eligible to receive care in their homes. CMS issued a list of [frequently asked questions](#), outlining what services are covered, what providers are eligible for the expanded telehealth opportunities, and how to bill for these services. Importantly, telehealth can be provided to both new and established patients, following additional changes from Congress. CMS also states telehealth can be performed on all patients, not just those with COVID-19. In a separate notice, the HHS Inspector General said it will allow healthcare providers [to reduce or waive](#) beneficiary cost-sharing for telehealth visits paid for by Federal health care programs. The OIG has also released a [fact sheet](#) providing more information on this change.

This CMS [fact sheet](#) includes various ways to use technology to treat patients, including through the use of “Virtual Check-Ins,” which are short patient-initiated communications with a healthcare practitioner, and “E-visits,” which are non-face-to-face patient-initiated communications through an online patient portal. As a result of the March and April Interim Final Rules, CMS makes a number of important changes and clarifications related to telehealth, such as specifying new telehealth-eligible services and their reimbursement, billing details and how telehealth services will be used for ACO assignment. NAACOS developed this [telehealth resource](#) to help ACOs better understand telehealth and the important policy updates recently made by CMS. Importantly, NAACOS has advocated for telehealth changes or related policy clarifications from CMS. For example, we urged the agency to ensure that documentation for hierarchical condition category risk scores would count if it came from non-face-to-face visits, requested clarification on how to deliver annual wellness visits through telehealth, and urged the agency to explain how telehealth visits affect ACO beneficiary assignment. Updates on these critical issues are included in the NAACOS telehealth resource referenced above.

Who can I contact to share more information on how COVID-19 is affecting my ACO?

To share more information regarding how COVID-19 is affecting your ACO, please email us at advocacy@naacos.com.

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