

This NAACOS ACO comparison chart details the main elements of the three tracks in the Medicare Shared Savings Program and the Next Generation ACO model.



ISSUE	TRACK 1	TRACK 2	TRACK 3	NEXT GENERATION ACO MODEL
<b>Initial program start year</b>	2012	2012	2016	2016
<b>Overview</b>	MSSP ACO Tracks 1 and 2 were included in the original MSSP. The program stems the Affordable Care Act and is designed to enhance care coordination and cooperation among healthcare providers with the overall goals of improved quality and patient outcomes as well as lower costs.	Same as Track 1	Track 3 was added to the MSSP beginning in 2016. This model takes successful aspects of the MSSP and Pioneer model to create a new MSSP Track with higher shared savings opportunities and greater risks.	Similar to the Pioneer Model with higher potential rewards and risk than the MSSP Tracks. Next Gen aims to transition providers from fee-for-service to capitation. Next Gen ACOs must operate under outcomes-based contracts with other purchasers by the end of the first performance period.
<b>Number of 2016 organizations</b>	412	6	16	21
<b>Length of contract</b>	3 years (may remain in Track 1 for 6 years)	3 years	3 years	3 years with option for 2 additional years
<b>FINANCIAL STRUCTURE</b>				
<b>Sharing Rate</b>	Up to 50%	Up to 60%	Up to 75%	2 risk arrangement options. Arrangement A offers shared savings/losses of up to 80% in Years 1 through 3, then up to 85% in Years 4 and 5. Arrangement B offers shared savings/losses of up to 100%.
<b>Minimum Savings Rate (MSR) / Minimum Loss Rate (MLR)</b>	2% to 3.9% MSR depending on number of assigned beneficiaries. Smaller ACOs have higher MSR (5,000 assigned beneficiaries = 3.9% MSR) and larger ACOs have lower MSR, (2% MSR for ACOs with 60,000+ assigned beneficiaries). MLR not applicable.	ACOs have a choice of a symmetrical MSR/MLR: no MSR/MLR; symmetrical MSR/MLR in 0.5% increments between 0.5% - 2.0%; symmetrical MSR/MLR to vary based upon number of assigned beneficiaries (as in Track 1)	Same as Track 2	Next Gen does not utilize MSRs/MLRs. Instead, CMS applies a discount to the benchmark once the baseline has been calculated, trended, and risk adjusted. NGACOs can achieve first dollar savings for spending below the benchmark and are accountable for first dollar shared losses for spending above the benchmark.
<b>Performance Payment Limit</b>	10%	15%	20%	15%
<b>Shared Savings**</b>	First dollar sharing once MSR is met or exceeded	Same as Track 1	Same as Tracks 1	First dollar savings for spending below benchmark (which includes a discount)
<b>Shared Loss Rate</b>	Not applicable	First dollar losses once MLR is met or exceeded; shared loss rate may not be less than 40% or exceed 60%	First dollar losses once MLR is met or exceeded; shared loss rate may not be less than 40% or exceed 75%	First dollar losses for spending above the benchmark
<b>Loss Sharing Limit</b>	Not applicable	Limit on the amount of shared losses phases in over 3- years, starting at 5% in year 1; 7.5% in year 2; and 10% in year 3 and beyond	15%	15%
<b>Benchmark in initial agreement period</b>	Established based on three years of historical ACO costs, using risk-adjusted average per capita expenditures for Parts A and B Medicare FFS beneficiaries who would have been assigned to the ACO. Benchmark years are weighted 10% Year 1, 30% Year 2 and 60% Year 3. CMS applies a national average growth rate for later years to account for inflation. Benchmarks may be adjusted during a performance period as a result of ACO participant TIN changes. Trending forward accounts for changes in beneficiary characteristics, and updating the benchmark. Risk and costs calculated for four beneficiary categories (ESRD, disabled, aged/dual eligible, aged/non-dual eligible).	Same as Track 1	Same as Tracks 1	Established prior to each performance year and uses a hybrid approach to incorporate historical and regional costs. Initially, the prospective benchmark is established through the following steps: (1) determine the ACO's historic baseline expenditures; (2) apply regional projected trend; (3) risk adjust using the CMS HCC model; (4) apply the discount, which is derived from one quality adjustment and two efficiency adjustments.
<b>Benchmark in subsequent agreement periods</b>	Same general approach with as first agreement period but uses equally weighted historical benchmark years (33% each year) and accounts for savings generated by the ACO in its prior agreement period.	Same as Track 1	Same as Track 1	CMS intends to develop an alternative benchmark methodology for PY4 (2020 for ACOs that began in 2016)

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<b>Transition to Two-Sided Model</b>	Shared savings only option with no downside risk is available for a maximum of two 3-year agreement periods	ACOs may elect Track 2 without completing a prior agreement period under a one-sided model. Once elected, ACOs cannot go into Track 1 for subsequent agreement periods.	Same as Track 2	Program requires two-sided risk for participation. Next Gen ACOs must operate under outcomes-based contracts with other purchasers by the end of the first performance period (i.e., 2016 for those beginning the NGACO program in 2016).
<b>BENEFICIARIES AND DATA REPORTS</b>				
<b>Minimum number of beneficiaries</b>	5,000	5,000	5,000	10,000 (unless in a rural area in which case they must have a min. of 7,500)
<b>Beneficiary assignment</b>	Preliminary prospective assignment with retrospective reconciliation. 2 step process to assign beneficiaries: 1) assign beneficiary to an ACO if the beneficiary receives the plurality* of their primary care services from an ACO's PCP. 2) (only for beneficiaries who did not receive any PC services from a PCP), these beneficiaries are assigned to an ACO if they receive the plurality of PC services from ACO professionals in the ACO.	Same as Track 1	Similar evaluation of where beneficiaries receive plurality of PCP services, but under Track 3 there is prospective beneficiary assignment. Beginning in 2017, beneficiaries may attest that their main doctor is participating in a T3 ACO and be assigned to that ACO. Beneficiaries who die during the performance year remain on the assigned beneficiary list.	Same as Pioneer. Beginning in 2017, CMS will also use voluntary beneficiary alignment.
<b>Adjustments for beneficiary health status and demographic changes</b>	Performance year: newly assigned beneficiaries adjusted using CMS-HCC model; continuously assigned beneficiaries adjusted using demographic factors alone unless CMS-HCC risk scores result in a lower risk score (i.e., risk score can't be raised). Historical benchmark expenditures adjusted based on CMS-HCC model. Updated historical benchmark adjusted relative to the risk profile of the assigned beneficiary population for the performance year.	Same as Track 1	Same as Tracks 1	Historic benchmark expenditures are risk adjusted using the HCC model to compare average risk between the baseline and performance year with a 3% cap on average risk score increases or decreases.
<b>QUALITY REPORTING REQUIREMENTS</b>				
<b>Quality measures</b>	Must report on and/or meet performance thresholds for 34 quality measures. Many measures are pay-for-reporting initially then transition to pay-for-performance in later years.	Same as Track 1	Same as Track 1	Same as Track 1 except, the Next Gen ACOs are exempt from ACO measure 11: Percent of PCPs Who Successfully Meet Meaningful Use Requirements.
<b>Reporting requirements</b>	Quality performance impacts eligibility to share in savings, and poor performance can result in the ACO being ineligible for any shared savings.	Same as Track 1	Same as Track 1	A better quality score results in a smaller, more favorable benchmark discount for the Next Gen ACO; conversely, a poorer quality score leads to a larger discount.
<b>EHR use</b>	At least 50% of ACO's PCPs must meet requirements for meaningful use of certified electronic health records (EHR). This measure is double weighted.	Same as Track 1	Same as Track 1	Not applicable
<b>Patient satisfaction</b>	Must report on patient experience/ satisfaction through the Consumer Assessment of Healthcare Providers and Systems (CAHPS) Survey for ACOs	Same as Track 1	Same as Track 1	Same as Track 1
<b>COMPLIANCE AND WAIVERS</b>				

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<b>SNF 3-day rule waiver</b>	Not permitted	Not permitted	Permitted; beginning no earlier than 2017; During initial application, T3 ACOs may apply for a waiver of the SNF 3-Day Rule. Only for assigned beneficiaries that receive otherwise covered post-hospital extended care services furnished by an eligible SNF that has entered into a written agreement with the ACO for purposes of this waiver. SNF must have a quality rating of 3+ stars.	Permitted; allows beneficiaries to be admitted directly to a SNF from their home, a physician's office, an observation status of the ER, or when they have been in the hospital for fewer than three days. SNF must have a quality rating of 3+ stars.
<b>Telehealth waiver</b>	Not permitted	Not permitted	No earlier than 2017, CMS may begin to phase-in a waiver of certain billing and payment requirements for telehealth services, but only after testing occurs through the Innovation Center	Permitted; Waiver of the requirement that beneficiaries be located in a rural area and at a specified type of originating site when telehealth services provided by NGACO providers/suppliers or preferred providers to aligned beneficiaries in specific facilities or at their residence.
<b>Home bound waiver</b>	Not permitted	Not permitted	Not permitted	Permitted; Waiver permits "incident to" claims for home visits to non-homebound aligned beneficiaries by licensed clinicians under the general supervision of NGACO providers/suppliers or preferred providers, following discharge from an inpatient facility. Benefit limited to one visit in the first 10 days following discharge and one additional visit in the subsequent 20 days.
<b>Primary care co-pay waiver</b>	Not permitted	Not permitted	Not permitted	Beneficiaries may receive a coordinated care reward for staying in the ACO's network.

\*plurality of PC services means a greater proportion of PC services as measured in allowed charges within the ACO than from services outside the ACO (such as services from other ACOs, individual providers or provider organizations). The plurality can be less than a majority of total services.

\*\* Shared savings payments are subject to 2% sequestration cut

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