

## Talking to Practices about the Benefits of ACO Participation in a Post-MACRA World

In October, 2016 CMS released a final [rule](#) outlining the new Quality Payment Program (QPP) structure for Medicare payments beginning in 2019 as a result of the passage of the Medicare Access and CHIP Reauthorization Act (MACRA). The new payment structure will provide clinicians with two options for receiving Medicare payments: receive a time-limited five percent bonus payment for participating in what CMS calls “Advanced Alternative Payment Models (Advanced APMs)” as well as a higher conversion factor in future years; or be evaluated under a new Merit-Based Incentive Payment System (MIPS) and receive bonuses or penalties based on overall performance on quality, cost, and other metrics as compared to national average performance in these areas.

Many clinicians and practices are currently weighing their options under MACRA and determining which course would prove best for their individual organization. The MACRA final rule states ACOs that are not participating in Advanced APMs will be subject to MIPS. This includes Medicare Shared Savings Program (MSSP) Track 1 ACOs. Additionally, those ACOs that participate in Advanced APMs (including MSSP Tracks 2 and 3 and Next Generation ACOs) but do not meet Qualifying APM Participant (QP) thresholds, will be subject to MIPS. CMS finalized a separate method of evaluating ACOs in MIPS, called the MIPS APM Scoring Standard. The ACO’s [Guide](#) to MACRA developed by NAACOS highlights some of the favorable considerations provided to ACOs in this separate scoring standard. However, even with the benefits given to ACOs as highlighted below, some practices may be considering leaving or not joining an ACO to pursue the MIPS-only pathway of payment while others may pursue participation in the ACO to take advantage of these benefits.

To assist members in discussing the options going forward post-MACRA, the following talking points encourage ACO participation.

### Talking Points for ACOs in MIPS

- Participation in the ACO will allow a practice to qualify for shared savings under the MSSP – which could ultimately be more lucrative than potential MIPS bonuses. Details of MIPS bonus amounts are unknown at this time and will be based, in part, on how many clinicians are penalized under the program due to budget neutrality requirements. While there are additional funds provided for “exceptional performers,” these funds are time limited. Further, due to policies finalized in the MACRA rule, CMS expects many clinicians to be exempt from MIPS penalties in the first program year. Therefore, bonus payments available under MIPS for 2019 are expected to be quite limited. This NAACOS [resource](#) provides more details regarding the calculation of bonuses and exceptional performance bonuses as finalized (see pages 35-38).
- There are numerous benefits of joining or staying in the ACO, including advantages of ACO support such as health IT, data analytics, and quality reporting. Many practices receive tremendous support from ACOs through these resources, benefitting them by allowing practices to focus their own limited resources on patient care rather than infrastructure, data or reporting requirements.
- Practices and patients benefit from the care coordination efforts of ACOs and their relationships with particular high-value hospitals, specialists, Home Health and Skilled Nursing entities.

- ACOs in MIPS will have added benefits by being scored under the MIPS APM Scoring Standard. Under this separate standard, ACOs will be given full credit for the Clinical Practice Improvement Activities performance category. Additionally, ACOs will be scored in the Quality performance category using Web Interface data submitted by the ACO for the MSSP or Next Generation ACO programs, creating no additional reporting burdens under MIPS. Lastly, the ACO will not be scored in the Cost performance category. To learn more about the details of the MIPS APM Scoring Standard, access our NAACOS resource, The ACO's [Guide](#) to MACRA (see pages 26-34).
  - MIPS bonuses will be determined based on overall performance in the program nationwide. Should a larger proportion of the eligible clinicians in MIPS score below the threshold, higher bonus amounts could potentially be awarded to higher performers. However, the Value Based Payment Modifier results of previous years have shown that performance tends to cluster around the average, or threshold. If a larger proportion of the eligible clinicians in MIPS score above the threshold, this would reduce the amount of positive MIPS adjustments CMS could provide to even the highest performing eligible clinicians. Therefore, there is a great amount of uncertainty regarding what the upper payment limits may look like in MIPS. See pages 35-38 of our ACOs [Guide](#) to MACRA for a more detailed discussion of MIPS payment adjustments.
- ACO practices will receive an automatic full credit in the Clinical Practice Improvement Activities performance category. There will also be no cost (i.e., resource use) score calculated, and no additional reporting burdens involved with evaluating ACO quality.
- Continuity is key. In uncertain times like these with presidential elections, inevitable changes in agency staff at CMS, and continued funding issues all creating uncertainty, it is clear that maintaining a focus on population health will ultimately lead practices in the right direction.

### Additional Talking Points for Discussions with Specialists

While some specialists focus more on particular episodes of care rather than coordinating care for patients throughout the year and across providers, participating in an ACO has clear benefits unique to specialists. In addition to the talking points above, the following may be helpful for ACOs in their discussions with specialist physicians and practices when they are considering joining or staying in an ACO.

- Participation in an ACO allows for greater opportunities for specialists to engage in the premiere population-based payment model, which will likely improve the coordination of care and outcomes for their patients.
- ACOs refer patients to specialists they know will support the ACO's goals for high-quality, coordinated care, so specialists participating in an ACO may increase their referral base.
- Participation in an ACO provides opportunities for specialists to be closely involved in developing clinical guidelines and formulating clinical pathways to ensure integrated care for their patients.
- Specialists can participate in multiple alternative payment models, such as bundled payments and ACOs, thus maximizing their involvement with the shift to value-based care.
- Being part of an ACO fosters an environment for increased collaboration between primary care physicians and specialists, benefitting both as well as the patients they treat. For example, a specialist can be more involved explaining to a PCP what should be done to get a patient ready to see them or for a particular procedure.

### Talking points for Track 2, 3 or Next Generation ACOs

In addition to the many benefits outlined above, which are applicable to all ACOs, those in MSSP Tracks 2 or 3 and those in the Next Generation ACO model can use the following talking points in their discussions with practices considering joining or remaining part of their ACO.

- Under CMS's final policy, two-sided ACOs that meet the QP thresholds will earn a 5 percent bonus annually from 2019 through 2024. This bonus is in addition to shared savings the ACO can earn through MSSP or the Next Generation ACO model, and the shared savings rate for these ACOs is greater than that available to Track 1 ACOs.

- Beginning in 2026, Track 2 and 3 MSSP ACOs and Next Generation ACOs that meet QP thresholds will see higher guaranteed annual payment increases of 0.75 percent, as opposed to the annual guaranteed increases of 0.25 percent for providers not in Advanced APMs.
- CMS continues to emphasize the importance of providers assuming risk and has repeatedly modified these two-sided ACO models to provide them with increased benefits not available to Track 1 ACOs. For example, the agency has provided certain payment waivers and benefits to Track 2 and 3 MSSP ACOs and Next Generation ACOs.
- Being a part of an Advanced APM means the ACO's participants avoid reporting requirements/evaluations under MIPS, thus allowing them to concentrate on achieving the goals of the ACO and avoiding distractions from other CMS reporting requirements.
- Participating in a Track 2 or 3 MSSP ACO or Next Generation ACO offers the opportunity for providers to be on the cutting edge of innovation in healthcare delivery.

For more information on implementation of MACRA, please visit our [website](#). We welcome ACO feedback on this and other MACRA resources and encourage members to contact us at [advocacy@naacos.com](mailto:advocacy@naacos.com).