



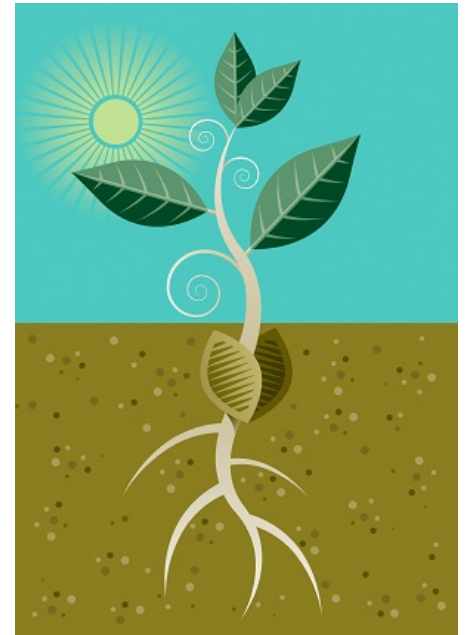
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The Letters of Intent for Next Generation Accountable Care Organization (NextGen ACO) model through the Center for Medicare and Medicaid Innovation (CMMI) are due May 2, 2016 for the program starting in 2017.

Twenty-one participants nationwide will qualify for the NextGen ACO that builds upon the experience gained through the Medicare Shared Savings Program (MSSP) and Pioneer ACO Models. Similar to the two existing programs, the NextGen ACO is a model for traditional fee-for-service (FFS) Medicare, otherwise known as "original Medicare." The new model has some key differences from MSSP and Pioneer ACOs. This change makes the program attractive for organizations wishing to take on greater risk and be successful under such risk-bearing arrangements.

If your organization is considering submitting an application for the NextGen ACO for a program period starting in 2017, there are several things you will want to know. Specifically, NextGen ACOs will:

- Be subject to a new and improved benchmarking methodology referred to as prospective benchmarking, which rewards both attainment and improvement in cost containment. Benchmarks will be set at the beginning of performance periods very much like New York State Medicaid waiver (DSRIP) program sets the benchmarks for their quality measures. The benchmark ultimately transitions away from comparisons to an ACO's historical expenditures.
- Have the ability to choose from various payment methods: normal FFS payment, FFS plus a monthly infrastructure payment, population-based payments or capitation. With all payment arrangements, NextGen ACOs will have increased risk/rewards compared to MSSP and Pioneer ACOs. A NextGen ACO will have the ability to transition from normal FFS to more complex methods over time.
- Be able to offer tools for benefit enhancements for beneficiaries, including greater access to home health, telehealth, and skilled nursing facilities (SNFs); opportunities for beneficiaries to receive a reward payment for receiving care from the ACO; and greater collaboration between CMS and ACOs to improve communication with beneficiaries.



- Have greater diversity in the types of affiliation arrangements to collaborate with providers who do not wish to fully participate in the ACO as a provider/supplier. The ACO can choose to partner with "Preferred Providers" and other "Affiliates," such as SNFs, to coordinate care and accomplish other ACO functions.
- Allow beneficiaries to proactively confirm or deny their attribution to a NextGen ACO. According to CMS, "confirmations of care relationships through voluntary alignment [by beneficiaries] supersede claims-based attributions." This addresses the concern of high turnover in beneficiary alignment found in the Pioneer and MSSP models.

NextGen ACO may be appropriate for your organization if:

- Your organization has experience in coordinating care for populations of patients and is looking to partner with CMS on an innovative value-based program. Experience in population health management and deployment of clinically integrated or patient-centered programs may lend well to success in the NextGen ACO model when coupled with new payment models and management of the total cost of care for a population.
- If your organization is currently participating in MSSP or Pioneer ACOs, experiences success in the Pioneer or MSSP models and is seeking enhanced alignment opportunities with participants and beneficiaries, as well as increased risk and reward corridors.

Your organization's management team will want to consider and answer the following questions in anticipation of applying to be a 2017 starter and being successful in a NextGen ACO:

- 1) Is your organization ready to change or optimize the way care is delivered to traditional Medicare beneficiaries? What clinical engagement will be necessary to redesign the care model within your integrated delivery system?
- 2) Is the provider network robust enough to align around patient-centered care for this population? If not, what will it take to get there? The financial risk is built on a Medicare fee-for-service basis, so alignment with the provider network will be key.
  - a. Do you have defined options for preferred providers to subcontract with other providers/suppliers and take risk for lives attributed to the subcontracted entity?
- 3) Does your organization already participate in partial or full-risk arrangements with payers covering other populations? What components of these programs can be reused to position your organization for success as a NextGen ACO? What is not working well with those arrangements that could be improved upon for the NextGen ACO? CMMI will expect 2017 starter applications to describe these kinds of arrangements and what components will be leveraged for use in NextGen ACO success.
- 4) Do you have tools and processes (technical infrastructure and cultural acumen) to execute on standardized care coordination and referral processes across the continuum of care? What kinds of new services does your organization need to offer to get there?
- 5) Are you able to deploy an internal team with the right authority, experience to drive and manage NextGen ACO requirements and ensure coordination with programs with other payers?

- 6) Are your physician network and ambulatory service provider partners already using or evaluating patient-centered, population-health delivery models? If so, how can these programs be expanded to support success with NextGen ACO?

Below are key dates for 2017 NextGen ACO qualification application:

- **May 2, 2016:** Letters of Intent due
- **May 25, 2016:** Narrative portion of the application due
- **June 3, 2016:** Applicant's provider lists and geographic service areas list due

### **About COPE Health Solutions**

COPE Health Solutions provides expert guidance in the readiness assessment for organizations considering the NextGen ACO application. To have a discussion about these questions and to go over other key considerations that will support a successful application, contact us at [consulting@copehealthsolutions.org](mailto:consulting@copehealthsolutions.org).

