



Administrator
Washington, DC 20201

JUL 21 2016

Mr. Clif Gaus
President and CEO
The National Association of ACOs
310 81st Street, W., Suite 100
Bradenton, FL 34209

Dear Mr. Gaus:

I would like to thank you for your letter of support regarding Medicare Accountable Care Organizations (ACO) initiatives - including the Shared Savings Program, as well as the Comprehensive Primary Care Plus (CPC+) Model, as ways to achieve our common goals of better care, smarter spending, and healthier people. We are pleased that the National Association of ACOs is supportive of both initiatives. We appreciate your recommendation that practices participating in Medicare ACOs be able to participate in CPC+.

Based on your and other stakeholders' input, we recently announced that we will now offer the opportunity for up to 1,500 eligible primary care practices currently participating in Tracks 1, 2, or 3 of the Shared Savings Program or applying for participation in the program starting on January 1, 2017, to also participate in CPC+. We expect dual participation in CPC+ and a Shared Savings Program ACO may enhance the coordination of care for Medicare beneficiaries and help to achieve our aims of better care, smarter spending, and healthier people. Practices participating in the ACO Investment Model (AIM), Next Generation ACO Model (NGACO), or other shared savings initiatives may not participate in CPC+. In contrast to the Shared Savings Program, AIM and NGACO are Innovation Center models, so dual participation in AIM or NGACO and CPC+ would impact the ongoing and future evaluation of the models.

CPC+ payment flows consist of three elements, and these elements must be considered individually to accommodate ACO practices in CPC+. First, primary care practices within ACOs will receive the same care management fees (CMFs) as all other CPC+ practices. These payments will be made directly to CPC+ practices to invest in care delivery at the practice site. The CMF will be included in the ACO's total expenditures for shared savings and shared loss calculations.

Second, primary care practices participating in both a Shared Savings Program ACO and CPC+ will forego the CPC+ prospectively paid, retrospectively reconciled, performance-based incentive payment and instead, will participate in the ACO's shared savings and shared loss arrangement. Third, payment to practices in Track 2 of CPC+ for Medicare fee-for-service (FFS) evaluation and management (E&M) services will partially be made through the current Part B FFS system and partially made through Comprehensive Primary Care Payments (CPCP). The CPCP and reduced FFS payments, together, will be calculated based on an amount 10%

larger than historical billings to support increased comprehensiveness of care. The CPCP will be included in the ACO's total expenditures for shared savings and shared loss calculations.

In addition, the Quality Payment Program (QPP) proposed rule issued on April 27, 2016, to implement the Medicare Access and CHIP Reauthorization Act of 2015, makes proposals regarding incentive payments for eligible clinicians that achieve threshold levels of participation in Advanced Alternative Payment Models (APMs). Under the terms of the QPP proposed rule, an APM entity must, among other requirements, bear more than a nominal financial risk in order to be considered an Advanced APM. The Centers for Medicare & Medicaid Services has said that under the terms of the proposed rule, CPC+ would be evaluated using the special financial risk and nominal amount standards for medical home models and would meet the criteria to be an Advanced APM. Under the terms of the proposed rule, Track 1 of the Shared Savings Program would not be an Advanced APM, but Tracks 2 and 3 of the Shared Savings Program would qualify as Advanced APMs.

For eligible clinicians in practices participating in both CPC+ and the Shared Savings Program, determinations about whether the clinicians would receive the APM incentive for a year would be based on their participation in the Shared Savings Program (and other Advanced APMs), not participation in CPC+, as CPC+ practices in Shared Savings Program ACOs forego the CPC+ performance-based incentive payment and instead, participate in the ACO's shared savings and shared loss arrangement. Eligible clinicians in practices that do not participate in Advanced APMs or do not meet the participation thresholds to qualify for the APM incentive for a year would be subject to the Merit-based Incentive Payment System (MIPS) reporting requirements and payment adjustments. Because Track 1 of the Shared Savings Program would not be an Advanced APM under the terms of the proposed rule, CPC+ practices participating in Track 1 of the Shared Savings Program would not be in an Advanced APM. Since Tracks 2 and 3 of the Shared Savings Program would be Advanced APMs, CPC+ practices that are part of a Track 2 or 3 Shared Savings Program ACO would be in an Advanced APM.

We appreciate your perspective and recommendations and hope that you will be encouraged by our updated CPC+ policy to allow dual participation with Shared Savings Program ACOs.

Thank you for your continued commitment to improving our nation's health care delivery system.

Sincerely,



Andrew M. Slavitt
Acting Administrator