



**To:** Next Generation ACOs  
**From:** The Next Generation ACO Model Team  
**Re:** 2019 Quality Measure Set and Quality Withhold  
**Date:** May 17, 2018

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This memo is to notify you of the quality measure set and quality withhold that the Next Generation Accountable Care Organization (NGACO) Model will implement for Performance Year (PY) 4 (CY 2019).

### **NGACO Quality Measure Set**

Thank you for offering your thoughts and suggestions this past year to help CMS consider how the NGACO quality measure set may be enhanced and improved. After extensive discussions with internal and external stakeholders, the NGACO Model will continue to mirror the Medicare Shared Savings Program Quality Measure set, as in past years. This decision was largely driven by a desire to support the “Meaningful Measures” framework, which includes an objective to align measures across programs to the extent possible. Moreover, limiting changes to the quality measure set in 2019 and 2020 will ensure greater stability as accountability for quality scores increases in the NGACO Model.

The 2019 quality measure set will be listed in the 2018 physician fee schedule (PFS) and Quality Payment Program (QPP) proposed rules scheduled to be released in June of this year. The 2019 NGACO quality measure set will be finalized by November 2018 and published in both the PFS and QPP Rules. After publication of the Rules, we will also update Appendix F of the NGACO Participation Agreement.

### **NGACO Quality Withhold for Performance Years 4 (CY 2019) and 5 (CY 2020)**

As described in the *Overview of Benchmarking Methods for PYs 4 & 5*, the NGACO Model will incorporate a Quality Withhold as part of the NGACO Benchmarking methodology. This Quality Withhold will replace the current (PY 1 through PY 3) adjustment to the standard discount as the mechanism to recognize NGACOs’ quality performance. Through the Quality Withhold, a percentage of an NGACO’s Performance Year Benchmark will be tied to their performance on the quality measure set, thereby incentivizing ACO investment in quality initiatives and promoting continuous quality improvement.

In PY 4, 2.0% of the Performance Year Benchmark will be “withheld” and adjusted based upon the NGACO’s performance. As such, NGACO’s can earn up to 2.0% of the quality withhold through a full quality score. In PY 5, 3.0% of the Performance Year Benchmark will be “withheld” and adjusted based upon the ACO’s performance on the quality measure set.

In the table below, the Quality Withhold calculations are outlined for a hypothetical NGACO participating in Performance Year 4.

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<b>Step</b>	<b>Description</b>	<b>Quality Withhold</b>	<b>Performance Year Benchmark</b>
A.	Percent of Total Benchmark	2%	98%
B.	Example Benchmark PBPM*	\$16	\$784
C.	Example Quality Score	95%	
D.	Quality Performance-Adjusted PBPM (B times C)	\$15.20	\$784
<b>E.</b>	<b>Total Benchmark (sum of row D)</b>		<b>\$799.20</b>

\* Hypothetical Performance Year PBPM Benchmark.

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