



**To:** Next Generation ACOs  
**From:** The Next Generation ACO Model Team  
**Re:** 2019 Benefit Enhancements  
**Date:** May 17, 2018

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This memo is to notify you of three new Benefit Enhancements in the Next Generation Accountable Care Organization (NGACO) Model, beginning in 2019. The status of the Coordinated Care Reward in 2019 and 2020 is also discussed at the end of the memo.

### **Benefit Enhancement #1: Cost Sharing Support for Part B Services**

The Center for Medicare & Medicaid Innovation (Innovation Center) will permit NGACOs to enter into a Cost Sharing Support Agreement with Next Generation Participants and Preferred Providers, pursuant to which the Next Generation Participants and Preferred Providers would not collect beneficiary cost sharing amounts (in whole or in part) from categories of aligned beneficiaries and for categories of Part B services identified by the NGACO, which will be preliminarily limited to physician services, subject to certain conditions and safeguards. NGACOs would then make payments to those Next Generation Participants and Preferred Providers to cover some or all of the amount of beneficiary cost sharing not collected. The principal aim of allowing NGACOs to offer this cost sharing support is to reduce financial barriers so certain beneficiaries may obtain needed care and better comply with treatment plans, thereby improving their own health outcomes. In addition, permitting NGACOs this flexibility will provide a critical tool to engage aligned beneficiaries, promote the utilization of high-value services, and incentivize aligned beneficiaries to continue receiving their care from Next Generation Participants and Preferred Providers.

NGACOs that select to participate in this Benefit Enhancement will be required to enter into a Cost Sharing Support Agreement with those Next Generation Participants and Preferred Providers who will participate in this Benefit Enhancement. The NGACO will also be required to identify the categories (e.g., sub-set) of beneficiaries, types of Part B services, or both, for which cost sharing support will be provided in an Implementation Plan that it submits to the Innovation Center, as it currently does for the existing Benefit Enhancements. NGACOs will be permitted to specify both primary care and specialty care services for this cost sharing support so that beneficiaries with specialty needs may also be incented to obtain the care they need. To the extent the NGACO will not be paying the cost of the cost sharing support entirely, the NGACO will also be required to specify in its Implementation Plan how it will determine the relative contributions of the NGACO and the Next Generation Participants and Preferred Providers. Cost sharing support payments under this Benefit Enhancement must come only from the NGACO and, if applicable, its Next Generation Participants and Preferred Providers. Participating NGACOs will be subject to monitoring and compliance activities in connection with the use of cost sharing support. To minimize possible abuse of the Benefit Enhancement, CMS will incorporate certain beneficiary protections and other safeguards into the NGACO Model Participation Agreement.

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## **Benefit Enhancement #2: Chronic Disease Management Reward Program**

The Innovation Center will permit NGACOs to provide gift cards to eligible aligned beneficiaries, up to an annual limit of \$75, for the purpose of incentivizing participation in a chronic disease management program. Use of modest beneficiary incentives and rewards – such as gift cards – have been widely adopted by a variety of payers to influence healthy behaviors. NGACOs will pay for the gift cards out of their own funds and at their discretion, subject to certain conditions. We believe that allowing NGACOs to incentivize beneficiary participation in a chronic disease management program will promote self-management, and ultimately improve quality and reduce costs.

As with other Benefit Enhancements, NGACOs that select to participate in this Benefit Enhancement will be required to submit an Implementation Plan detailing how they will structure their chronic disease management reward program. NGACOs will be permitted to offer programs that focus on aligned beneficiaries with a specific disease or chronic condition, as long as the program does not discriminate against any aligned beneficiary who would otherwise qualify for participation. NGACOs that select to offer this Chronic Disease Management Reward Program Benefit Enhancement will be required to maintain records of their reward program, including documentation of the amount and type of each gift card awarded and the basis for beneficiary eligibility. Participating NGACOs will be subject to monitoring and compliance activities in regard to their reward program. To minimize possible abuse of the Benefit Enhancement, we will incorporate certain beneficiary protections and other safeguards into the NGACO Model Participation Agreement.

## **Benefit Enhancement #3: Care Management Home Visits**

Building upon NGACOs' experience in offering the Post-Discharge Home Visits Benefit Enhancement, the Model will offer a new Care Management Home Visits Benefit Enhancement to equip NGACOs with a new tool to provide home visits proactively and in advance of a potential hospitalization. Next Generation Participants and Preferred Providers who have initiated a care treatment plan for aligned beneficiaries will be eligible to receive up to two Care Management Home Visits within 90 days of seeing that Next Generation Participant or Preferred Provider. This is not a home health benefit and beneficiaries eligible to receive home health services will not be eligible for this Benefit Enhancement. The items and services provided as part of these care management home visits are intended to supplement, rather than substitute for, visits to a primary care provider or specialist in a traditional health care setting. As such, these home visits are not intended to be performed on an ongoing basis, nor to serve as a substitute for the Medicare home health benefit, nor as the primary mechanism to meet beneficiaries' care needs.

We will extend the conditional Medicare payment rule waiver issued under the Post-Discharge Home Visits Benefit Enhancement to establish the Care Management Home Visits Benefit Enhancement. Specifically, the scope of covered items and services under this Benefit Enhancement include those services and supplies that would be covered under Medicare Part B, and are furnished "incident to" the professional services of a physician or other practitioner, except that CMS will waive the *direct supervision* requirement such that the services and supplies may be furnished by auxiliary personnel under the billing physician's or other billing practitioner's *general supervision*. This new Care Management Home Visits Benefit Enhancement will provide Next Generation Participants and Preferred Providers greater flexibility to furnish these services within a beneficiary's home or place of

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residence. To minimize possible abuse of the Benefit Enhancement, CMS will incorporate certain beneficiary protections and other safeguards into the NGACO Model Participation Agreement.

### **Coordinated Care Reward (CCR)**

The CCR was an important first step in advancing beneficiary engagement through financial incentives in the ACO sphere. The new Cost Sharing Support for Part B Services Benefit Enhancement and Chronic Disease Management Reward Program Benefit Enhancement described in this memo have a similar policy goal to that of the CCR: enhance beneficiary engagement with the NGACO and provide NGACOs with tools to best engage their aligned population in improving health and quality. Given that, CMS will end the CCR after Performance Year 2018 (12/31/2018) and begin testing the more stakeholder- and consumer-driven beneficiary incentives described in this memo.

Beneficiaries who receive an AWV by 12/31/2018 will be eligible to receive a CCR check. Since AWV claims can be submitted up to one year from the date of service, we will continue to verify beneficiary CCR eligibility through 12/31/2019, with the last checks being sent to beneficiaries in February 2020. Please see below for the CCR schedule through February 2020.

#### **Coordinated Care Reward (CCR) 2017-2020 Schedule**

| <b>CCR Eligibility Checked</b> | <b>AWV Date of Service/Claim Incurred</b> | <b>Checks Sent</b> |
|--------------------------------|---|--------------------|
| March 2018                     | 1/1/17 – 2/28/18                          | April 2018         |
| June 2018                      | 1/1/17 – 5/30/18                          | July 2018          |
| September 2018                 | 1/1/17 – 8/31/18                          | October 2018       |
| December 2018                  | 1/1/17 – 11/30/18                         | January 2019       |
| March 2019                     | 1/1/17 – 12/31/18                         | April 2019         |
| June 2019                      | 1/1/18 – 12/31/18                         | July 2019          |
| September 2019                 | 1/1/18 – 12/31/18                         | October 2019       |
| January 2020                   | 1/1/18 – 12/31/18                         | February 2020      |

### **Fraud & Abuse Waivers**

CMS is testing the Next Generation ACO Model under section 1115A of the Social Security Act (Act). In accordance with section 1115A(d)(1) of the Act, the Secretary of Health and Human Services may waive certain fraud and abuse provisions in sections 1128A, 1128B, and 1877 of the Act as may be necessary solely for purposes of testing the model. Certain fraud and abuse waivers were previously issued under this authority. See Notice of Waivers of Certain Fraud and Abuse Laws in Connection with the NGACO Model (the “Notice”), available at <https://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/Fraud-and-Abuse-Waivers.html>. Waivers to accommodate the first two Benefit Enhancements discussed above, if any, would be set forth in separately issued documentation.

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