

Prospective Trends in the Medicare Shared Savings Program

The Accountable Care Prospective Trend (ACPT)

- ACO financial benchmarks are based on the ACO's assigned patients' historic spending and trended forward using a blend of national and regional growth rates.
- For new and renewing Medicare Shared Savings Program (MSSP) agreements beginning in 2024, CMS will apply the ACPT in combination with national and regional growth rates.
 - The ACPT is a fixed projected growth rate determined at the beginning of an ACO's agreement period. It accounts for one-third of the trend update.
 - o The ACPT is based on United States Per Capita Cost (USPCC) growth trend projections, which are also used annually for establishing Medicare Advantage rates.
 - Growth trends are set separately for the aged/disabled population and the end-stage renal disease population.
- CMS introduced the ACPT to address benchmark rachet challenges—as ACOs reduce expenditures they ratchet down their own savings opportunities as well as national and regional growth trends. CMS intended the ACPT would:
 - Allow benchmarks to increase beyond actual spending growth rates as ACOs slow overall spending growth
 - Be an initial step towards administratively benchmarks, which would no longer rely on a fee-for-service population as participation in MA and ACOs grows.
- A <u>CMS resource</u> provides more detail on the ACPT calculation, and ACOs can find their ACPT in the quarterly benchmark expenditures report.
- **Example Trend Calculations:**
 - Trend Update With ACPT = (ACPT*1/3) + [(National Trend*National Weight) + (Regional Trend* 1-National Weight)*2/3]
 - Trend Update Without ACPT = (National Trend*National Weight) + (Regional Trend* 1-National Weight)

ACPT Challenges

- For 2024, the ACPT inaccurately projected spending, arbitrarily lowering benchmarks for ACOs.
 - The ACPT is set around 3.6% while the increase in national expenditures was 7.6% (see chart below).
 - This results in a 1.3% reduction in ACO benchmarks.
- NAACOS has continued to raise other challenges with the ACPT:
 - National spending is not reflective of regional spending trends.
 - The ACPT is set for 5 years, the length of the ACOs agreement, providing no opportunity to account for significant changes in annual spending.
 - In recent years, the USPCC has been a poor predictor of spending growth.

CMS Must Act Quickly to Correct 2024 Challenges

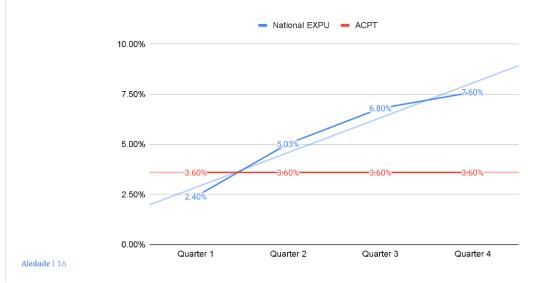
CMS should reweight the ACPT to 0% for 2024. Otherwise, ACOs benchmarks will be arbitrarily lowered. A lower benchmark translates to lower opportunity for shared savings, thus lower

opportunity to reinvest in patient benefits, provide incentives to providers and invest in technology or care redesign.

- CMS has discretion to reweight the ACPT. Regulatory language at § 425.652(b)(4)(ii) states: "CMS has sole discretion to determine whether an unforeseen circumstance exists that warrants a reduction to the weight of the ACPT and the reduced weight that will apply to the ACPT."
- Further, CMS specifies in <u>guidance</u> what those "unforeseen circumstances" are, stating
 that "if it is determined that expenditure growth has differed significantly from
 projections made at the start of the agreement period due to unforeseen
 circumstances, such as an economic recession, pandemic, or other factors, a reduction
 in the weight placed on the ACPT may be considered."
- CMS should revisit this policy and consider other approaches for improving benchmarks in MSSP.

CMS QEXPU Rolling Twelve Month Report

2023 Lost Savings on Projected Q4: \$143 million



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