Agenda

Lee, Benita is talking...

1 | Welcome and Introductions

2 | LEAD Model Overview

3 | Payment Approach Overview

4 | Q&A

5 | Closing and Resources

Welcome and Introductions

Today's Presenters

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LEAD Model Overview

LEAD Model Overview

The LEAD Model is a nationwide, **10-year voluntary Innovation Center ACO model** that will run from January 1, 2027, through December 31, 2036.

Model Goals

Increase the scope of ACOs to include more small, rural, and independent health care providers and community health centers

Enhance evidence-based prevention and care coordination for more patients, including those with High Needs and dually eligible individuals

Empower patients to be more actively involved in their care

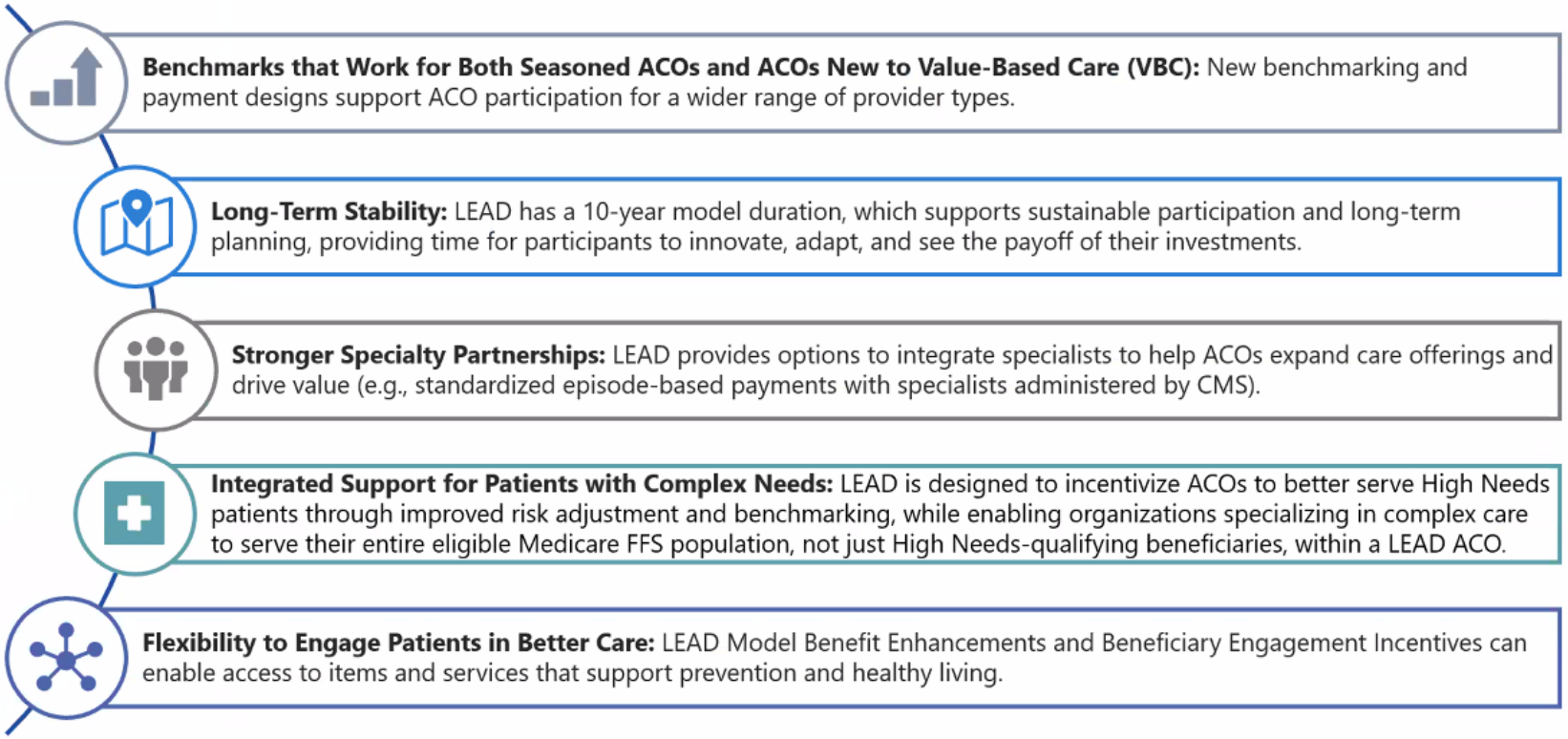
The CMS Innovation Center's goal is to test innovative health care payment and service delivery models that have the potential to lower Medicare spending while maintaining or improving the quality of care for beneficiaries.

ACO Overview

What Are ACOs?	**ACOs are groups of health care providers and other professionals formed to deliver coordinated, high-quality care to patients**. The accountable care relationships ACOs form with patients have been shown to reduce unnecessary and duplicative care, improve collaboration across providers responsible for the same patient's care and, in many cases, reduce costs.
How are ACOs different from Original Medicare?	**ACOs take on financial risk for Original Medicare patients' costs and quality outcomes** in exchange for greater flexibilities in care delivery, novel payment systems that improve financial stability, and the chance to share in the savings they produce for Medicare. If ACOs reduce costs for their Original Medicare patients below a target spending "benchmark," they can share these savings.
How are ACOs different from other value-based models?	**ACOs take accountability for Original Medicare patients' total Medicare costs, rather than specific episodes or procedures.** They also are not limited to beneficiaries with certain health care conditions. ACOs generally have greater opportunities for shared savings compared to other value-based models because they are accountable for the total cost of care.

Benefits for Model Participants

LEAD empowers participants with **greater shared savings potential, long-term stability, and enhanced support for patients** through flexible benefit enhancements.



High Needs and Dually Eligible Beneficiaries

Integration of High Needs Patients

- **Support for High Needs patients, including refined risk adjustment and benchmarking,** will be integrated across all ACOs, creating an incentive for more providers to develop the capabilities to care for patients with complex needs. Specifically, High Needs beneficiaries will be treated as a distinct population type, like Aged & Disabled, or End-Stage Renal Disease (ESRD), with their own benchmark and trend factor. Concurrent risk adjustment will be applied to all High Needs beneficiaries.
- **Organizations that specialize in care for complex populations** will be able to serve their entire eligible Medicare FFS population, not just High Needs-qualifying beneficiaries, within a LEAD ACO, and will have access to lower beneficiary alignment minimums.
- **To qualify for lower beneficiary alignment minimums**, ACOs must serve a high proportion of High Needs beneficiaries, i.e., >40% of their aligned beneficiaries, and have certain care capabilities, including 24/7 patient access to a provider, staff with training in advance care planning, and the ability to deliver care in the home.

High Needs and Dually Eligible Beneficiaries

Medicaid Integration

- **LEAD aims to promote Medicare-Medicaid integration for dually eligible beneficiaries in Original Medicare** by creating incentives for ACOs and state Medicaid agencies or Medicaid Managed Care Organizations to coordinate care and improve outcomes.
- **CMS will select two states to partner with to develop a framework for supporting Medicare-Medicaid integration** during a planning phase that will begin with the release of the LEAD Request for Applications. CMS will work with selected states to define how ACOs and Medicaid organizations can work together to share data, coordinate care, and share in savings to improve outcomes. Pending successful completion of the planning phase, ACOs in those states will have the option to enter into partnerships with Medicaid organizations.
- **LEAD Medicare-Medicaid integration will include Medicaid-based alignment**, meaning that CMS will align beneficiaries to a LEAD ACO if they are enrolled for Medicaid benefits in the Medicaid Managed Care Organization (MCO) (or affiliate) or Medicaid fee-for-service (FFS) program that has a partnership agreement with the ACO (and are not already aligned to another ACO).

Eligibility Requirements

ACO Eligibility

LEAD is designed for a wide spectrum of health care providers, including those that have not previously participated in ACOs, current ACO REACH participants, and those serving High Needs and dually eligible beneficiaries.

Participant Eligibility

Participant Providers: Physicians and health care organizations that take direct accountability for cost and quality and drive beneficiary alignment under the model. Participant providers are typically primary care providers, though not required to be. *LEAD will use a whole Tax Identification Number (TIN) approach, which captures all National Provider Identifiers (NPIs) billing under a Participant TIN as Participant Providers.*

Preferred Providers: Physicians and health care organizations that can take indirect financial accountability and do not drive beneficiary alignment or quality performance for the ACO. Preferred Providers are typically specialists and institutional providers (e.g., post-acute care) but not required to be. *Preferred Providers will be managed at the TIN-NPI level to allow flexibility for ACOs.*

Beneficiary Alignment

LEAD introduces a new option for more timely Beneficiary Alignment and more transparency for ACOs. **ACOs serving a higher proportion (>40%) of High Needs beneficiaries and new ACOs will have lower beneficiary alignment minimums.**

LEAD ACOs will receive beneficiary alignment in two ways:

- **Claims-Based Alignment:** Beneficiaries align to ACOs based on their claims history and utilization patterns.
- **Voluntary Alignment:** Beneficiaries voluntarily align to an ACO by choosing a provider affiliated with that ACO as their primary provider, practice, or other source of care.

LEAD ACOs can select one of two alignment approaches:

- **Prospective:** Conducted prior to the start of each performance year, with no alignment updates during the performance year.
- **Hybrid:** Allows ACOs to update their beneficiary list during the performance year (PY). Voluntary alignment would be updated monthly. Claims-based alignment would be updated once a year (prior to the PY). For ACOs that have new Participant TINs during the PY, claims-based alignment will be updated once mid-PY for new additions. *Note: Eligible beneficiaries can only be added mid-year; they cannot be dropped.*

LEAD Waivers, Flexibilities, and Technical Assistance

Benefit Enhancements (BEs) and Beneficiary Engagement Incentives (BEIs) **enable ACOs to offer more preventive services, tailored support, and rewards that empower beneficiaries to achieve their health goals and manage their care**. By offering these, ACOs can attract more beneficiaries, improve care quality, and unlock greater cost savings.

Benefit Enhancements (BEs)

- LEAD will include **the existing BEs from ACO REACH** and offer ACOs a formalized opportunity to integrate a series of rapid randomized controlled trials (RRCTs) to test the impact of those BEs and other innovative interventions led by ACOs.
- **LEAD ACOs will also have access to new BEs,** some of which will be available in future performance years.
- Examples of new BEs include:
  - Expanding access to medical nutrition therapy to beneficiaries with pre-diabetes and hyperlipidemia.
  - By 2029, allowing ACOs to share savings with Medicare beneficiaries through Part D premium reductions.

LEAD Waivers, Flexibilities, and Technical Assistance

Beneficiary Engagement Incentives (BEIs)

LEAD intends to offer BEIs, including some available in REACH and several new or expanded BEIs:*

- **Part B Cost Sharing Support:** Designed to allow ACOs to enter into expanded agreements with LEAD Participant Providers and Preferred Providers in order to cover some or all beneficiary cost sharing for designated Medicare Part B services when beneficiaries make high-value care choices.
- **Chronic Disease Prevention Reward:** Designed to allow ACOs to offer healthy food products to beneficiaries as they engage in healthy living activities (e.g., exercising) and participate in evidence-based programs.

Tech Enabler Initiative

To support ACO adoption of innovative technology tools, CMS will work with LEAD ACOs to identify important technology use cases, such as care navigation and condition management, and then create standardized business requirements to facilitate vendor support for these use cases. This process is intended to reduce the burden of tech adoption for ACOs, particularly small, provider-led ACOs.

*CMS may determine that the anti-kickback statute safe harbor for CMS-sponsored model patient incentives is available to protect the following patient incentives.

Payment Approach Overview

Participation Options

LEAD allows ACOs to **choose a level of financial risk that fits their experience**. LEAD is designed for ACOs at different stages, offering a clear path to greater rewards as ACOs gain experience. Additionally, the risk corridors for savings and losses have been modified from ACO REACH to allow ACOs to take greater accountability under both options.*

Global Risk Option

Take on full risk and reward — ACOs can earn up to 100% of savings but are also responsible for up to 100% of losses.

Accountability comes with flexibility — more opportunities to access broader capitated payments and beneficiary engagement tools.

In this option, CMS will generate savings for Medicare by applying a "discount," i.e., an upfront reduction, to the ACO's benchmark.

Professional Risk Option

Gain experience with financial risk — ACOs can earn up to 50% of savings while capping potential losses at 50%.

ACOs that choose this option must remain in Professional Risk Option for at least four years. After four years, ACOs have the option, but are not required, to move to the Global Risk Option.

*As in ACO REACH, LEAD participants will also be able to select CMS-sponsored stop loss insurance designed to protect against risk from cases of individual outliers.

New Benchmarking Standards

LEAD's benchmarking methodology builds on ACO REACH and the Shared Savings Program to create a pathway towards sustainable, long-term benchmarks and savings for different types of ACOs.

LEAD Benchmarking Approach

A stable, 10-year savings trajectory. LEAD's 10-year performance period removes the re-basing of benchmarks that penalizes successful ACOs and reduces incentives to save.

Incentives for ACOs with high costs relative to regional peers. In LEAD, ACOs will start with a benchmark based only on historical costs, plus an additional capitated payment incentive for higher spending ACOs.

Rewards for organizations with low costs relative to regional peers. Participants in the global risk option will be eligible for the higher of a positive-only regional adjustment or prior savings adjustment, based on risk-adjusted spending.

A more predictable growth rate trend. Annual benchmarks are updated using a blend of actual national and regional spending trends and a prospective growth factor with guardrails.

Transition to a regional rate book. LEAD's 10-year performance period allows time for costs to begin to converge across high-spending and low-spending ACOs, enabling a move away from individual historical benchmarks and towards standardized, rate book-based benchmarks towards the second half of the model.

Key Payment Components

LEAD provides participants with **monthly upfront cash flow to invest in care improvements** and **greater flexibility** to deliver patient-centered care that **does not rely on fee-for-service, volume-based billing**. LEAD offers the following payment options:

Primary Care Capitation (PCC)

- LEAD ACOs can get predictable, upfront monthly payments for primary care services delivered by ACO Participant and Preferred Providers to help them invest in new care capabilities.

Total Care Capitation (TCC)

- For those in the Global Risk Option, LEAD also offers the option of capitated payments for all Medicare Parts A and B services delivered by ACO Participant and Preferred Providers, including both primary and specialty care.

Advanced Payment Option (APO) and Non-Primary Care Capitation (NPCC)

- For ACOs that select PCC, the APO and NPCC are options to enter downstream payment arrangements with non-primary care providers (e.g., specialists and post-acute care facilities). Following ACO REACH, APO is an upfront monthly payment that will be reconciled against actual fee-for-service (FFS) billing, while NPCC is a new mechanism that acts as a true capitated payment.

Add-On Capitation Payments

- As noted, LEAD will include an add-on capitated payment to provide an additional source of upfront cash flow for eligible ACOs.

CARA: CMS-Administered Risk Arrangements

LEAD tests new structures for payment arrangements with specialists through CMS-Administered Risk Arrangements (CARA). More information will be available in the Request for Applications (RFA).

Specialist Accountability

LEAD ACOs participating in CARA would be empowered to contract directly with specialists for specific quality and cost outcomes, reducing barriers for ACOs to establish meaningful value-based relationships with specialists who drive significant health care costs but remain largely outside accountability frameworks.

Flexible Episode Payments

Through CARA, CMS would administer voluntary, episode-based risk arrangements between ACOs and their specialists and provider organizations to facilitate stronger Preferred Provider relationships with these downstream health care providers.

Episode-Based Falls Prevention Program

CARA includes a specialized falls prevention episode that features time-limited services to boost independence in daily home and community-based activities for Medicare beneficiaries.

Quality Strategy

The LEAD Model's quality payments will be based on a small, targeted set of familiar quality measures. New requirements phase in gradually, allowing time for ACOs to prepare for reporting.

HIGHLIGHTS:

- ACOs can earn back a quality withhold up to 3% of their benchmark based on performance on the LEAD quality measures, as well as implementation of a Prevention and Quality Plan (PQP).
- New electronic clinical quality measures (eCQMs) will be optional for the first two years, then pay-for-reporting in years three and four to allow ACOs time to prepare for implementation and CMS to provide technical assistance.
- Each ACO will choose a prevention intervention based on the unique needs of their patient population (e.g., falls prevention, controlling high blood pressure) and develop a PQP to help keep patients healthy.

4 Claims-Based Measures (from ACO REACH),* CAHPS, and 2 Digital Measures (eCQMs)**:

- Diabetes: Glycemic Status Assessment Greater Than 9%
- Controlling High Blood Pressure

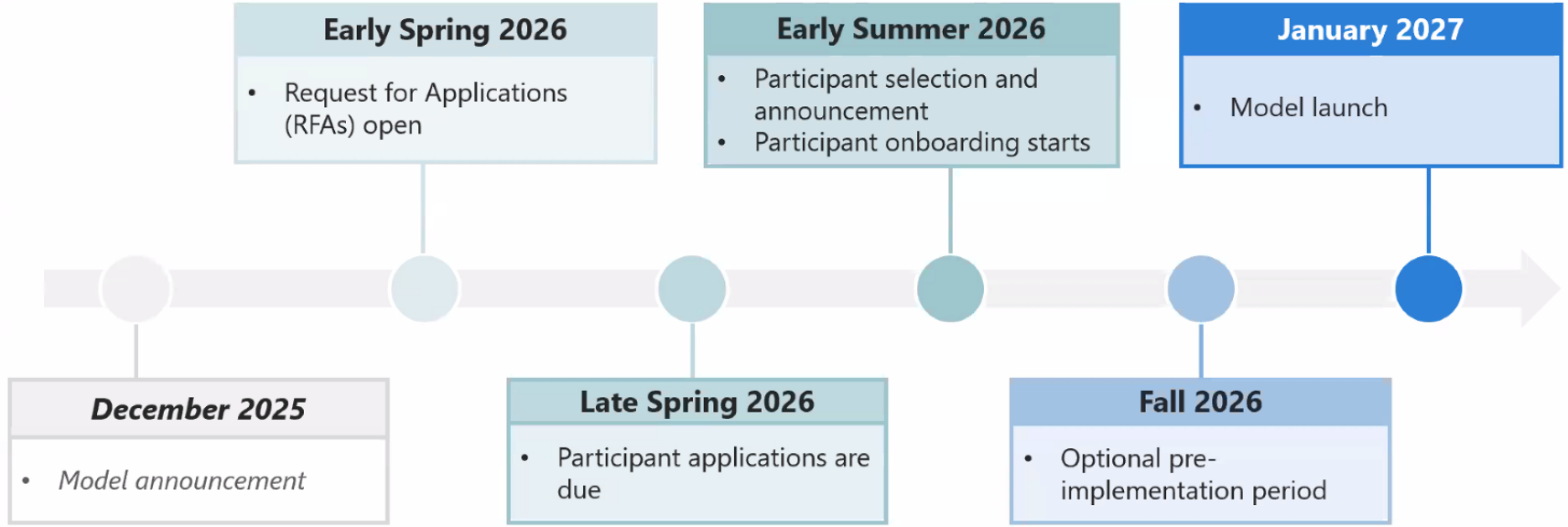
FINANCIAL INCENTIVES:

- High Performers Pool (HPP)
- Continuous Improvement or Sustained Exceptional Performance (CI/SEP)

*A complete list of quality measures can be found on the ACO REACH webpage.
**Subject to phased implementation timing, as described above

Timeline

LEAD will operate for 10 years, from **January 1, 2027, to December 31, 2036**. The LEAD Request for Applications will be available early this spring, and applications will be due later this spring. Applicants will be notified of selection decisions in early summer. Participants will then have an onboarding period, followed by an optional pre-implementation period.



Q&A

Polls/quizzes

Poll 1

1. (Select up to two): What are the top two factors that will determine whether your organization applies to the LEAD Model? (Multiple choice)

- [ ] A. Model Start-Up Costs and Required Resources (e.g., claims processing, financial resources, technology needed to implement the model)
- [ ] B. Administrative Burden on Staff (e.g., onboarding, ongoing management)
- [ ] C. Financial Policies and Risk Arrangement (e.g., payment structure, risk sharing, financial incentives)
- [ ] D. Supports Provided to Participants (e.g., financial support, technical support, onboarding/education)
- [ ] E. Data and Reporting Requirements (e.g., access to data provided to participants and new or additional data collection required of participants)
- [ ] F. Other (please type your response in the chat)

0 of 1 answered

Submit

Who can see your responses?

Please Respond to the Live Zoom Poll

(Select up to two): What are the top two factors that will determine whether your organization applies to the LEAD Model?

A. **Model Start-Up Costs and Required Resources** (e.g., claims processing, financial resources, technology needed to implement the model)

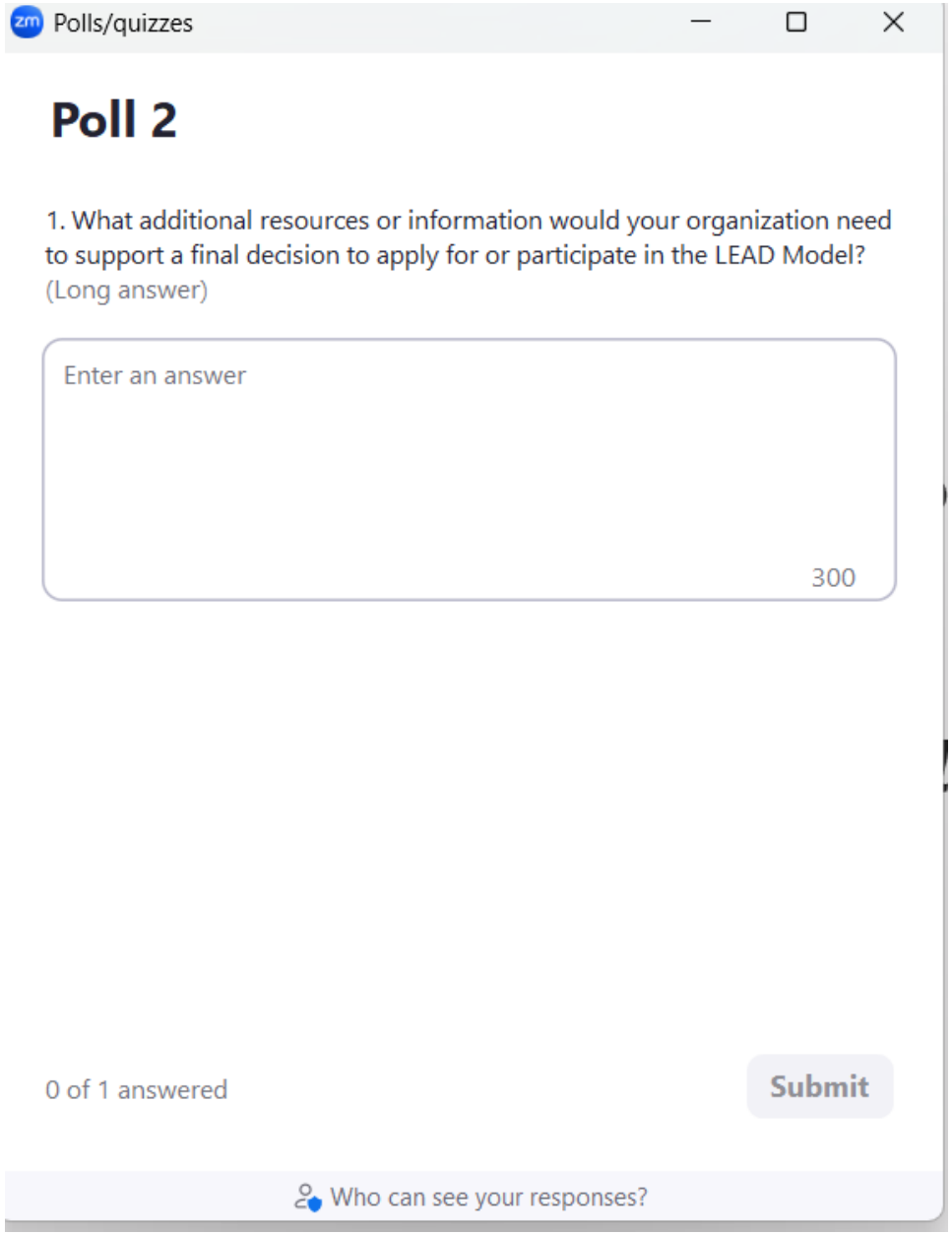
B. **Administrative Burden on Staff** (e.g., onboarding, ongoing management)

C. **Financial Policies and Risk Arrangement** (e.g., payment structure, risk sharing, financial incentives)

D. **Supports Provided to Participants** (e.g., financial support, technical support, onboarding/education)

E. **Data and Reporting Requirements** (e.g., access to data provided to participants and new or additional data collection required of participants)

F. **Other** (please type your response in the chat)


Polls/quizzes
Poll 2
1. What additional resources or information would your organization need to support a final decision to apply for or participate in the LEAD Model?
(Long answer)
Enter an answer
300
0 of 1 answered
Submit
Who can see your responses?

Please Respond to the Live Zoom Poll

Webinar poll submitte
participation.

What additional resources or information would your organization need to support a final decision to apply for or participate in the LEAD Model?

Please type your response using the Zoom Poll.

Q&A

Please type your question in the **Q&A box.**

If we do not get to your question, we welcome you to email the LEAD Team at LEAD@cms.hhs.gov. We will aim to answer unaddressed questions via emails and upcoming FAQs.

Resources

Email: LEAD@cms.hhs.gov

Visit: LEAD Model Webpage

Listserv: Sign up for updates via the LEAD Model Listserv