

Accountable Care Organization Primary Care Flex Model (ACO PC Flex Model)

Application Overview Webinar

June 06, 2024



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Today's Presenters



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Webinar Purpose

The purpose of today's presentation is to:

- Review design elements of the ACO PC Flex Model that have been outlined in detail in the [Request for Applications \(RFA\)](#), released May 30th
- Highlight the [ACO PC Flex RFA Exhibits and Example Calculations Companion Workbook](#)
- Review the [ACO PC Flex Model Application](#) process and important dates for submission
- Answer Questions

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ACO Primary Care Flex Model

The ACO Primary Care Flex Model (ACO PC Flex Model) is a voluntary model that will focus on primary care delivery in the Medicare Shared Savings Program (Shared Savings Program). It will test how prospective payments and increased funding for primary care in Accountable Care Organizations (ACOs) impact health outcomes, quality, and costs of care. The flexible payment design will empower participating ACOs and their primary care providers to use more innovative, team-based, person-centered and proactive approaches to care.

The model, which starts January 1, 2025, aims to grow participation in ACOs and the Shared Savings Program and increase the number of people with Medicare in an accountable care relationship.

CMS has released a [Request for Applications \(RFA\) \(PDF\)](#) for the ACO PC Flex Model. The [RFA application portal](#) is now open and the model [RFA Exhibits and Example Calculations Workbook \(XLSX\)](#) is available. Organizations interested in participating must first apply — either as new ACOs or renewing ACOs — to the Shared Savings Program. The deadline to submit an [application to the Shared Savings Program](#) is June 17, 2024. Applicant ACOs must submit a supplemental ACO PC Flex application questionnaire by August 1, 2024. CMS plans to announce applicants selected to participate in October 2024.

Model Summary

Stage: Announced - Applications Under Review
Number of Participants: N/A
Category: Accountable Care Models
Authority: Section 1115A of the Social Security Act

Milestones & Updates

May 30, 2024
Announced: Request for Applications posted

Events

- [Webinar: ACO PC Flex Model - Application Overview](#) (June 6, 2024)
 - [Registration is open](#)
- [Webinar: ACO PC Flex Model - Overview](#) (April 4, 2024)

Additional Information

- [ACO PC Flex Model Request for Applications \(RFA\) \(PDF\)](#)
- [ACO PC Flex Model RFA application portal](#)
- [ACO PC Flex RFA Exhibits and Example Calculations Workbook \(XLSX\)](#)
- [ACO PC Flex Model Fact Sheet \(PDF\)](#)
- [ACO PC Flex Model Frequently Asked Questions \(FAQs\)](#)
- [ACO PC Flex Model Press Release](#)
- [ACO PC Flex Model Infographic \(PDF\)](#)
- [Innovation Center Primary Care Models Comparison \(PDF\)](#)
- [Shared Savings Program](#)
- [Shared Savings Program Applications](#)

A New Model to Improve Access to High-Quality Primary Care

The ACO PC Flex Model is a 5-year voluntary primary care payment model that will be tested within the Shared Savings Program beginning January 1, 2025. A more comprehensive overview of the Model can be found in the [Model Overview Webinar](#) materials.

THE IMPORTANCE OF PRIMARY CARE

- Primary care is the **foundation** of a high-performing health care system and **fundamental to improving health outcomes**
- Higher levels of primary care spending improves **outcomes**, lowers **mortality rates** and improves **patient satisfaction**, while decreasing use of avoidable services like emergency room visits and hospitalizations



ACO PC FLEX MODEL STRUCTURE

- New, **primary care payment** model for **low revenue ACOs**
- Tested within the **Medicare Shared Savings Program**
- Increased primary care funding and flexibility via two new payment mechanisms: **One-time Advanced Shared Savings Payment** and **Monthly Prospective Primary Care Payments (PPCPs)**
- Empowers participants to utilize more **innovative, team-based, person-centered and proactive approaches to care**
- Model features and implementation strategy designed to **promote health equity**

Agenda

1 | Opening Remarks

2 | ACO PC Flex Model Request for Applications (RFA)

3 | Application Overview

4 | Closing and Resources

5 | Q&A

ACO PC Flex Model Request for Applications (RFA)

- Overview of Key Sections

Applicant Eligibility (RFA Pg. 6)

An ACO is eligible for the ACO PC Flex Model if CMS determines that the following criteria are met:

Shared Savings Program Eligibility

The ACO is eligible to participate in the Shared Savings Program.

Revenue Status

The ACO is a low revenue ACO as defined by the Shared Savings Program. Revenue designations are provided by CMS as part of an ACO's Shared Savings Program Application.

Program Integrity

A program integrity (PI) review of the ACO or any other relevant individuals or entities associated with the ACO has produced satisfactory results.

Participation in other Medicare Initiatives

An ACO does not receive prepayments of shared savings or simultaneously participate in another Medicare initiative that involves shared savings payments.

Ability to repay

The ACO can repay amounts for which it may be liable under the ACO PC Flex Model. Draft and final repayment mechanism documentation is required.

Is my ACO Eligible for the ACO PC Flex Model?

The following types of ACOs are encouraged to apply



Existing, renewing ACOs (i.e. current Shared Savings Program agreement period ends in 2024 and plans to start a new agreement period for 2025) that are low revenue



Existing, early renewing ACOs (i.e. current Shared Savings Program agreement period ends in 2025 or after, but want to early renew to participate in ACO PC Flex) that are low revenue



Returning ACOs (i.e. not a Shared Savings Program ACO in 2024 but previously participated) that are likely to meet the Shared Savings Program criteria for low revenue



New ACOs (i.e. forming a new entity that has not previously participated in SSP) that are likely to meet the Shared Savings Program criteria for low revenue

Low revenue ACO means an ACO whose total Medicare Parts A and B fee-for-service revenue of its ACO participants based on revenue for the most recent calendar year for which 12 months of data are available, is less than 35 percent of the total Medicare Parts A and B fee-for-service expenditures for the ACO's assigned beneficiaries based on expenditures for the most recent calendar year for which 12 months of data are available. [See 42 C.F.R. § 425.20.](#)

Overlaps with Other Medicare Programs (RFA Pg. 13)

In general, CMS will not allow organizations and providers to simultaneously participate in the ACO PC Flex Model and another model or Medicare initiative that involves shared savings (aside from the Shared Savings Program), unless otherwise permitted by CMS.



Prepayments of Shared Savings, such as Advance Investment Payments (AIP)

Ineligible

PC Flex Model ACOs may not simultaneously receive AIP under the Shared Savings Program.

If an ACO terminates its Shared Savings Program participation agreement during the period in which it received an advance investment payment, Shared Savings Program rules for recoupment and recovery of advance investment payments apply.



CMS Innovation Center Shared Savings Initiatives and Other Prohibited Overlaps

Ineligible

- ACO REACH Model
- Vermont All-Payer Model
- Making Care Primary (MCP) Model
- All-Payer Health Equity Advancement and Development (AHEAD) Model
- Primary Care First Model
- Independence at Home demonstration
- Maryland Primary Care Program
- Kidney Care Choices Model (KCC)



CMS Innovation Center Non-Shared Savings Initiatives and Other Allowed Overlaps

Eligible

- Bundled Payments for Care Improvement (BPCI) Advanced Model;
- Enhancing Oncology Model (EOM);
- End-Stage Renal Disease (ESRD) Treatment Choices (ETC) Model;
- Financial Alignment Initiative for Medicare-Medicaid Enrollees; and
- Guiding an Improved Dementia Experience (GUIDE) Model (scheduled to begin July 1, 2024).

Note: **AHEAD** and **PCF** can overlap with the Shared Savings Program, but not the ACO PC Flex Model

The ACO PC Flex Model Repayment Mechanism (RFA Pg. 18)

Overview

- A PC Flex ACO must have the ability to repay Other Monies Owed for which it may be liable under the model.
- To ensure an ACO's ability to repay any Other Monies Owed, each PC Flex ACO must obtain a repayment mechanism to participate in the model.
- This requirement is separate from (and in addition to) repayment obligations under the Shared Savings Program.
- CMS will annually notify the PC Flex ACO of the amount that must be funded by its repayment mechanism for the relevant performance year.

Key Considerations



The repayment mechanism (RM) covers liability on the PPCP Enhanced Amount (given mid-year termination) and Advance Shared Savings Payment (prorated, given early termination). As such, the amount should be less than RMs for general downside risk.



PC Flex ACOs participating in two-sided risk tracks of the Shared Savings Program must secure **two** repayment mechanisms.



PC Flex ACOs participating in one-sided tracks of the Shared Savings Program must establish a single repayment mechanism to repay Other Monies Owed.



Draft and final repayment mechanisms are due in Phase II of the ACO PC Flex Application (after Oct 17).

Assignment of Beneficiaries (RFA Pg. 19)

Model Design Elements

- Before calculating a PC Flex ACO's Prospective Primary Care Payment, beneficiaries must be assigned to a PC Flex ACO.
- PC Flex ACOs may select either **Prospective Assignment** or **Preliminary Prospective Assignment with Retrospective Reconciliation**.
- Eligible beneficiaries will be **assigned to the ACO PC Flex Model by the Shared Savings Program assignment processes**.
- CMS will identify beneficiaries receiving a plurality of Primary Care Services based on allowable charges at **FQHCs and/or RHCs** to apply the add-on payment to the PPCP for beneficiaries with FQHC- or RHC-focused care.

Key Considerations



PPCP will not be paid for beneficiaries assigned via "Step 2"* nor will claims be reduced for these beneficiaries.



Non-Physician Practitioners (NPP) designated as specialty practice NPPs by PC Flex ACOs will not have claims reduced for assigned beneficiaries.



For Preliminary Prospective Assignment with Retrospective Reconciliation, only beneficiaries that are assigned as of the first assignment run of the PY and remain assigned at all subsequent PY runs are PPCP Eligible beneficiaries.

*Beneficiaries who are assigned to the ACO via "Step 2" are beneficiaries who were not assigned via "Step 1" based on primary care services with primary care physicians. Instead, they were assigned based on primary care services with specialist physicians.

ACO PC Flex Model Request for Applications: Payment Mechanisms and Financial Methodology

Overview of the ACO PC Flex Model Payment Approach

ONE-TIME ADVANCE SHARED SAVINGS PAYMENT

ACO PC Flex will provide a one-time advance shared savings payment of **\$250,000** to all PC Flex ACOs

Payments can be used to **fund start-up costs** for creating a PC Flex ACO, as well as administrative costs of required model activities

The Advance Shared Savings Payment will be **deducted from shared savings each performance year until the full \$250,000 is repaid**, and any balance owed will be carried over from performance year to performance year



MONTHLY PROSPECTIVE PRIMARY CARE PAYMENTS (PPCPs)

ACOs participating in the model will receive monthly PPCPs that **replace FFS reimbursement** for most primary care services

The PPCP will increase primary care funding for most model participants

The PPCP is built from **four components**:

County Base Rate

Enhanced Amount

Adjustments

Primary Care Prospective Admin. Trend

Prospective Primary Care Payment County Base Rate (RFA Pg. 22)

Model Design Elements

Ratebook Construction

- County average primary care spending on the CPT/HCPCS codes (see RFA for list of codes) for all assignable Medicare beneficiaries in each county who do not receive the plurality of primary care at safety net providers, billed by primary care providers
- Each county has **two rates**: ESRD rate and non-ESRD rate
- 3 base years

Ratebook Population

- Starts with all assignable Medicare beneficiaries in each county
- Removes beneficiaries who receive the plurality of primary care at FQHC or RHCs (beneficiaries with FQHC or RHC focused care)
- An add-on payment will be added to the county base rate for beneficiaries with FQHC/RHC focused care

Key Considerations



CMS is still exploring the best approach to use 2021 utilization in the Rate Book construction due to lingering effects of the COVID-19 Public Health Emergency



Credibility adjustments are made for counties with fewer than 1,000 beneficiaries in the reference population.

Prospective Primary Care Payment Enhanced Amount (RFA Pg. 24)

Model Design Elements

- **Enhanced Amount:** Value of the **County Enhancement and the Flex Enhancement**, after adjusting for clinical risk, primary care delivered outside the ACO, and application of the cap on enhancement
- **Cap on Enhancement:** Total value of the Enhanced Amount, **limited to \$200 PBPY**. This is evaluated at the ACO level.
- **Flex Enhancement:** Applied at the ACO-level to all participating ACOs, regardless of location or utilization, to increase investment in primary care. **\$125 PBPY**
- **County Enhancement:** Applied at the county level in counties with low levels of primary care spending relative to the national spending threshold (top of the 2nd decile of standardized spending)

1st 2nd 3rd 4th 5th 6th 7th 8th 9th



Apply the County Enhancement to raise the county base rate up to the top of the 2nd decile

Key Considerations



All ACOs will receive the Flex Enhancement, but the County Enhancement is dependent on where the ACO's beneficiaries reside.



An adjustment for primary care delivered outside of the ACO is applied to the County Enhancement but not to the Flex Enhancement.



New and inexperienced ACOs may experience a greater benefit from the Enhanced Amount as they are less likely to have a positive regional adjustment or prior savings adjustment.

Prospective Primary Care Payment Adjustments (RFA Pg. 26)

Model Design Elements

- **Payment Precision Withhold: Prospective discount** applied to PPCP to create a buffer against potential non-reduction of PPCP-eligible claims; **not more than 3%**
- **Risk Adjustment:** County Base Rate, County Enhancement, and Flex Enhancement all risk-adjusted using the **CMS-HCC risk adjustment model**
- **Add-on for Beneficiaries with FQHC/RHC Focused Care:** **Fixed dollar add-on payment** to the county base rate for beneficiaries with FQHC/RHC focused care
- **Adjustment for Primary Care Delivered Outside of ACO:** Based on **historical experience** of the amount or rate of primary care delivered by providers outside the PC Flex ACO; fixed for 2025-2026

Key Considerations



Many PC Flex adjustments are common in population-based payment arrangements; with additional emphasis on equity



Prospective Primary Care Payment Adjustments (RFA Pg. 26)

Model Design Elements

- **In-Year Retrospective Adjustments to the PPCP:** Updated retroactively for individual beneficiary-months to reflect changes in beneficiary eligibility status, risk scores and normalization factors, beneficiary county of residence, etc.
- **Health Equity Adjustment:** PBPM dollar adjustment for assigned beneficiaries; **equity scores** based on **national ADI score, state ADI score, and dual-eligibility / low-income subsidy status** (partial or full). Equity scores compared to the assignable population.

Key Considerations



All dollars given to PC Flex ACOs for their care of highly underserved beneficiaries will be offset by reductions for PC Flex ACOs serving the least underserved.



EQUITY SCORE RANGE (PERCENTILE)	PBPM ADJUSTMENT
Equity Score _b ≥ P ₉₀	\$3
P ₈₀ ≤ Equity Score _b < P ₉₀	\$2
P ₇₀ ≤ Equity Score _b < P ₈₀	\$1
P ₃₀ ≤ Equity Score _b < P ₇₀	\$0
P ₂₀ ≤ Equity Score _b < P ₃₀	-\$1
P ₁₀ ≤ Equity Score _b < P ₂₀	-\$2
Equity Score _b < P ₁₀	-\$3

Primary Care Prospective Administrative Trend (PCPAT) (RFA Pg 29)

Model Design Elements

- After the payment has been adjusted, the resulting PPCP will be trended forward to the corresponding PY based on a PCPAT to produce the final trended adjusted PBPM rate used to set the total PPCP.
- For PY 2025, the PCPAT will be based on **projected growth** in reimbursement per fee-for-service enrollee for **Physician Fee Schedule** services, derived from projected incurred reimbursement amounts per fee-for-service enrollee for Physician Fee Schedule practitioner services.
- The separate **aged and disabled projections will be combined to create a single PCPAT.**

Key Considerations



Applies a prospective growth rate to primary care payment, removes need for retrospective trend adjustments



Key Takeaways for ACOs with FQHC and RHC Participants

Model Design Elements

- CMS will identify beneficiaries receiving a plurality of Primary Care Services based on allowable charges at **FQHCs and/or RHCs** in order to apply the add-on payment to the PPCP for beneficiaries with FQHC- or RHC-focused care.
- **Add-on payments reflect the average difference** in national historical **spending** for beneficiaries with **FQHC/RHC focused care** and the **average County Base Rates**. Final values will be finalized with the ratebook. Current estimates:
 - Add-on for beneficiaries with FQHC Focused Care: \$249 PBPY
 - Add-on for beneficiaries with RHC Focused Care \$256 PBPY

Key Considerations



CMS will monitor the PPCP compared to actual fee reductions on a quarterly basis **to ensure that ACOs are appropriately funded for assigned beneficiaries with FQHC – or RHC- Focused Care.**



If PPCP payments for beneficiaries with FQHC- or RHC- focused care are less than actual fee reductions on a year-to-date basis, additional payment will be made in the next available monthly PPCP.



Model Design Elements

- PPCPs are **in lieu of FFS reimbursement** for all primary care providers, FQHCs and RHCs in the ACO
- Providers continue to submit claims. Medicare payment systems will **“zero out” claims for primary care services** billed
- Services subject to fee reductions include:
- **Services billed on a professional claim:** Evaluation and management office services for both new and established patients using the CPT and HCPCS codes listed in Appendix D billed by a primary care provider
- **Services billed on an institutional claim:** All services billed by FQHCs and RHCs. Claims for HOPD, ETA hospital, and critical access hospital (CAH) method II for certain evaluation and management services for both new and established patients using the CPT and HCPCS codes described in Appendix D and billed by a primary care provider

Key Considerations



PC Flex ACOs will determine and distribute payments to PC Flex ACO Participants. PC Flex ACOs will regularly report their use of the PPCP, including payments made to PC Flex ACO Participants.



Beneficiaries assigned based on primary care services performed by specialists (Step 2) will not have claims reduced.



NPPs designated as specialty practice NPPs by PC Flex ACOs will not have claims reduced for assigned beneficiaries.

The ACO PC Flex Model Financial Settlement (RFA Pg. 31)

Model Design Elements

- Generally follows procedures in the Shared Savings Program, including determination of updated benchmark, risk & renormalization, trend & update, and MSR/MLR.
- Several adjustments to Shared Savings & Losses calculations are required for ACO PC Flex:
 - Add the fully paid PPCP to performance year expenditures.
 - Calculate the Total Enhancement Credit – this is the total PY value of the enhancement portion of the PPCP, after offset for the greater of the positive regional adjustment and prior savings adjustment.
 - Add the Total Enhancement Credit to the ACO share of savings or losses.
 - Recoup outstanding balance of Advance Shared Savings Payment
- An example calculation of the Total Enhancement Credit is included in the companion workbook, *ACO PC Flex Exhibits and Example Calculations*.

Key Considerations



Depending on an ACO's circumstances, adding a positive Total Enhancement Credit during settlement can result in:



Outcome 1: An increase in earned performance payment



Outcome 2: A reduction in payment owed to CMS



Outcome 3: Moving from payment due to CMS to an earned performance payment



Outcome 4: An earned performance payment equal to the Total Enhancement Credit



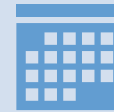
Model Design Elements

- **Allowable and prohibited uses of PPCP & Advance Shared Savings Payment** (See RFA for complete list):
- **Category 1: Provision and Support of Advanced Primary Care (Allowed).** Includes Replacement of fee-for-service revenue for PC Flex ACO Participants; Provision of Other Advanced Primary Care; HRSN Screening and Supports; Behavioral Health Integration; Expansion and Retention of Primary Care Workforce; Health Care Practice Infrastructure
- **Category 2: Operations of PC Flex ACO (Allowed).** Includes administrative costs and legal, actuarial, financial, analytic, or other professional services needed to operate a PC Flex ACO
- **Category 3 – Prohibited Uses of PPCP & Advance Shared Savings Payment.** Except for start-up costs, all other examples listed in Category 3 are prohibited uses of Advance Shared Savings Payment

Allocation Requirements by PPCP Payment Year

EXPENDITURE CATEGORY	FIRST PAYMENT YEAR	SECOND PAYMENT YEAR
1	At least 90%	At least 95%
2	Not more than 10%	Not more than 5%
3	0%	0%

Key Considerations



Initial Spend Plan Submission: Due October 29, 2024



Quarterly Spend Plan Submissions: ACOs will not be required to report spending within a practice, only what was distributed from the ACO to ACO Participants



Annual Spend Plan Submissions: PC Flex ACOs will be required to gather information from ACO Participants to report all uses by both the PC Flex ACO and PC Flex ACO Participants



PC Flex ACOs must have a separate bank account for storing and disbursing PPCP and Advance Shared Savings Payment

Quality Strategy and Metrics (RFA Pg. 34)

The ACO PC Flex Model will align with the existing Shared Savings Program quality reporting requirements and performance standards. The ACO PC Flex Model will include an additional measure of person-centeredness using the Person-Centered Primary Care Measure (PCPCM).



Person-Centered Primary Care Measure (PCPCM)

- Administered annually for all PC Flex ACOs.
- Assesses whether participants are improving patient experience and transforming care by focusing their attention, and associated resources, on high value aspects of primary care.
- To reduce burden, CMS will fund and manage the administration of the PCPCM Survey. Results will be publicly reported.
- Measure results are not included as part of the existing Shared Savings Program quality performance standard used to determine shared savings and shared losses.
- To facilitate accurate and complete collection of the PCPCM, ACO participants may be asked to submit supportive information, e.g., patient roster data.

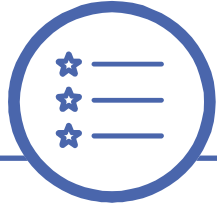


Shared Savings Program Quality Reporting Requirements

Participants are still responsible for all quality measure reporting requirements under the Shared Savings Program.

Health Equity (RFA Pg. 14)

The ACO PC Flex Model seeks to improve quality of care and health outcomes for all assigned beneficiaries. Equitable care is a key component necessary to achieve high-quality care for Medicare beneficiaries and is therefore critical to the ACO PC Flex Model's success.



Special Considerations for FQHCs and RHCs

- A beneficiary add-on payment to the PPCP is included for beneficiaries who receive the plurality of Primary Care Services based on allowable charges at FQHCs or RHCs.
- There will be a different primary care PBPM add-on for FQHCs and RHCs to encourage them to participate.



Equity Promoting Payment Methodology

The ACO PC Flex Model includes the following equity promoting payment methodologies:

- PPCP Rate Setting Methodology
- PPCP County Enhancement
- PPCP Health Equity Adjustment
- PPCP add-on for beneficiaries who receive care at FQHCs or RHCs



Health Equity-Related Requirements

- Application includes health equity questions and scoring for health equity experience
- Participants will be required to develop a health equity plan and collect patient-reported health-equity related data

Companion Workbook

- CMS released a companion excel workbook, the [ACO PC Flex RFA Exhibits and Example Calculations](#), alongside the RFA.
- The file is intended to provide an illustrative example of CMS' intended financial methodology for the ACO PC Flex Model, as of May 30, 2024.
- It includes two important mathematical examples:
 1. How the Prospective Primary Care Payment (PPCP) is calculated at the beneficiary level; and
 2. An example of the enhancement offset calculation that results in the enhancement credit during the performance year settlement process.

Appendices

Appendix A

Key Terminology

Appendix B

ACO PC Flex Model Application Questionnaire

Appendix C

Program Overlaps

Appendix D

**Codes Used to Calculate Prospective Primary Care Payments
(PPCP) County Base Rate**

Appendix E

Financial Methodology Technical Details

Appendix F

ACO PC Flex Model Quality Measure Set

Is the ACO PC Flex Model a Good Fit for my Organization?

All organizations should evaluate the model for their own situations when considering participation. Here are some key points to consider in that evaluation.

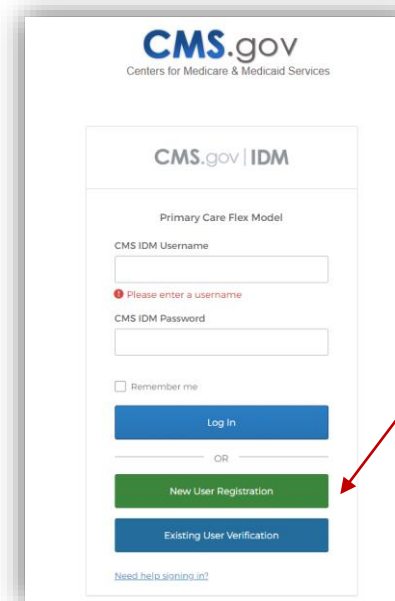
- ACOs that have neither a positive regional adjustment or a prior savings adjustment to the benchmark will retain the PC Flex Model enhancements, which is to say the enhancement value will be fully credited in the settlement process.
- ACOs that do have a positive regional adjustment and/or prior savings adjustment to the benchmark may still benefit from the stable cash flow created by the PPCP.
- ACOs with beneficiaries who reside in counties with historically low primary care spend will benefit from the County Enhancement. The specific counties to be included (approximately 20% of counties) will be specified when the ACO PC Flex Rate Book is published.
- It is important to understand how historical primary care spending compares to county averages to understand impact to cash flow.
- Organizations with some experience receiving population-based payments or capitation may find it easier to implement the PPCP.

ACO PC Flex Model Application Process

- **Important Dates**
- **Phase I Application Process**
- **Phase II Application**

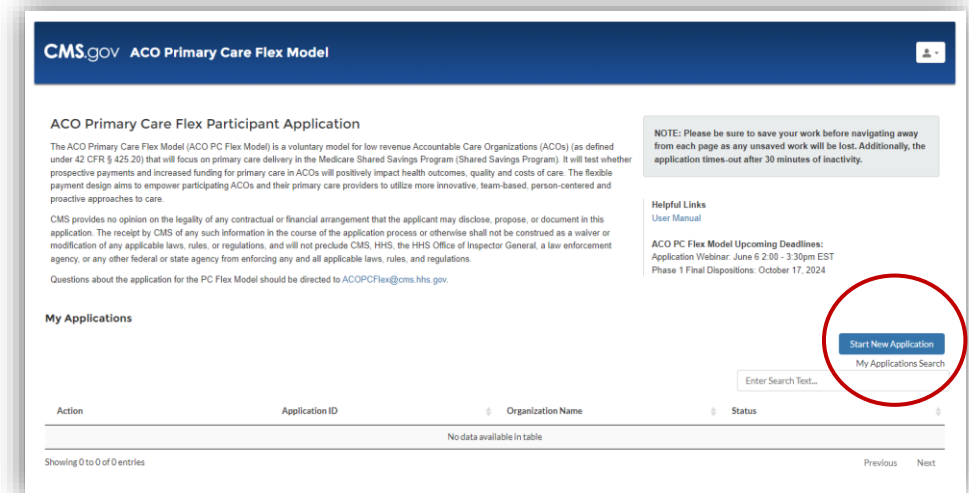
ACO PC Flex Model Application Overview

- In addition to applying to participate in the Shared Savings Program, an applicant ACO must submit supplemental ACO PC Flex Model application information
- Submission of supplemental ACO PC Flex Model application information will consist of three phases:
 - Phase 1 application submission period (May – August 2024);
 - Phase 2 application submission period (October – November 2024); and
 - Final submission period (December 2024)
- CMS will offer one application cycle for the ACO PC Flex Model.



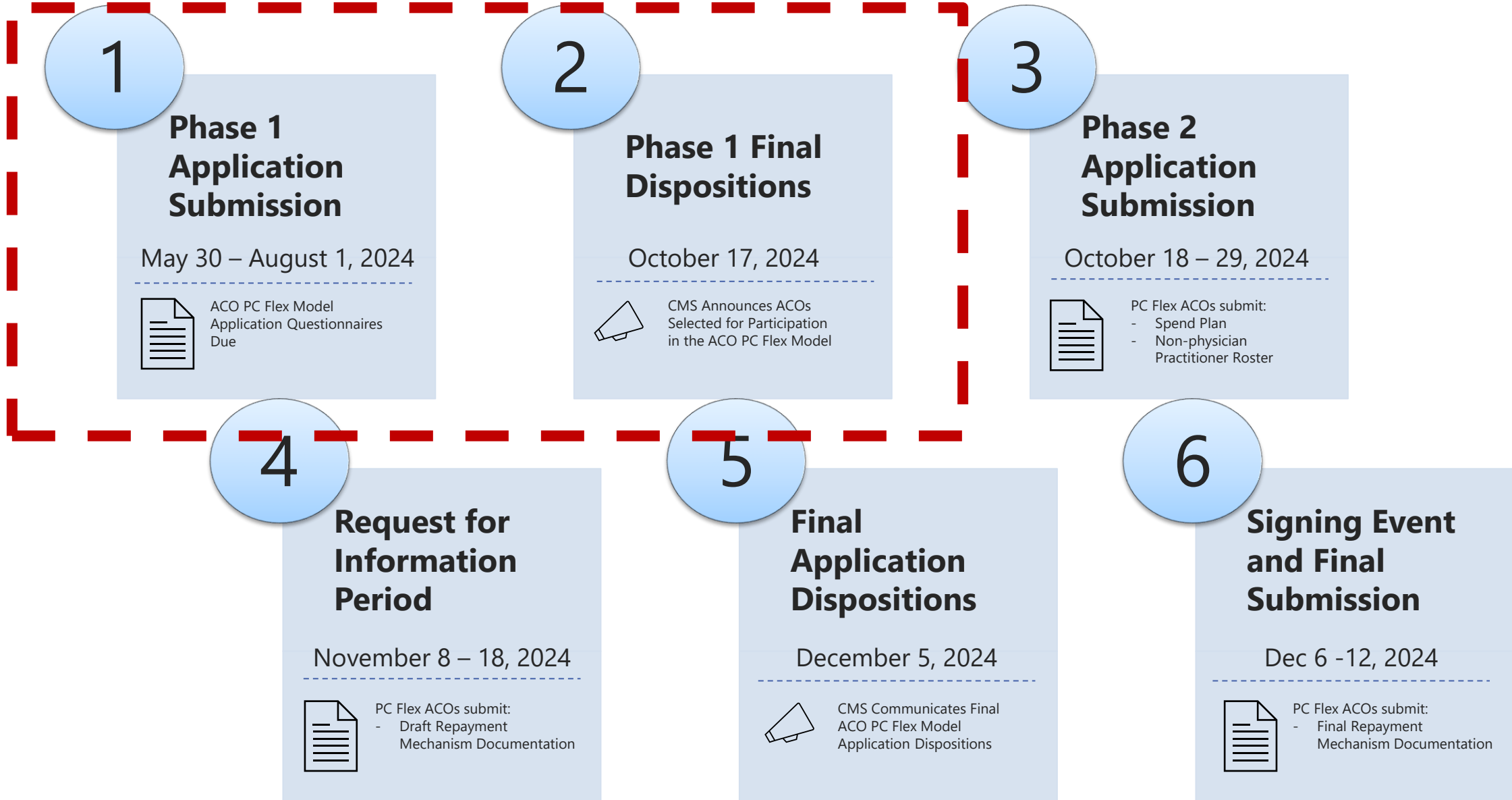
First, Access the Application Portal for New User Registration

Next, Start a New Application



Important ACO PC Flex Model Dates (RFA Pg. 12)

Interested applicants may apply to the model according to the timeline below.



Application Process: Phase 1 May – August 2024 (RFA Pg. 9)

Pre-requisite

Apply to the Medicare Shared Savings Program: Initial applicant ACOs, re-entering applicant ACOs, renewal applicant ACOs, and early renewal applicant ACOs must first apply to the Shared Savings Program for a January 1, 2025 agreement start date if they wish to apply to the ACO PC Flex Model.

Shared Savings Program Phase 1 Submission Period: May 20 - June 17, 2024

Step 1

ACO PC Flex Model Application Questionnaire: An ACO that has applied to the Shared Savings Program for a January 1, 2025 agreement start date and is interested in participating in the ACO PC Flex Model must submit an ACO PC Flex Model application questionnaire, available at <https://app.innovation.cms.gov/PCFlex>

ACO PC Flex Phase 1 Application Submission Period: May 29 – August 1, 2024

Step 2

Phase 1 Final Dispositions: An applicant ACO will be notified whether CMS has selected them for participation in the ACO PC Flex Model by October 17, 2024. CMS anticipates that monthly PPCP payment estimates and final repayment mechanism amounts will be released by or before Oct 17.

ACO PC Flex Phase 1 Final Dispositions: October 17, 2024

Application Process: Phase 2 October – December 2024 (RFA Pg. 10)

Step 3

Phase 2 Application Submission: Selected ACOs will see a participation question in their ACO PC Flex application portal. ACOs that wish to participate in the model should answer “yes” to the participation question and submit an ACO PC Flex Model Spend Plan and NPP Roster by the Submission deadline, Oct 29.

Phase 2 Application Submission Period: October 18 - 29, 2024

Step 4

ACO PC Flex Model Request for Information (RFI): CMS will request information necessary to complete the phase 1 and 2 applications. Draft ACO PC Flex Model repayment mechanism documentation due by the close of the RFI period, Nov 18.

Request for Information Period: November 8 – 18, 2024

Step 5

ACO PC Flex Model Final Application Dispositions: The final application disposition for the model will be communicated on December 5, 2024.

Final Application Disposition Period: December 5, 2024

Step 6

ACO PC Flex Model Signing Event and Final Submission: Final documentation of ACO compliance with the model repayment mechanism due by December 12.

Signing Event and Final Submission Period: December 6 – 12, 2024

ACO PC Flex Model Application Checklist

Phase 1



Apply to the Shared Savings Program for a January 1, 2025 agreement start date. Due June 17, 2024.



Submit ACO PC Flex Model Application Questionnaire. Due August 1, 2024.

Phase 2



Submit ACO PC Flex Model Spend Plan. Due October 29, 2024.



Submit ACO PC Flex Model Non-physician Practitioner Roster. Due October 29, 2024.



Submit ACO PC Flex Model Draft Repayment Mechanism Documentation. Due November 18, 2024.



Submit ACO PC Flex Model Final Repayment Mechanism Documentation. Due December 12, 2024.

Key Points for ACOs Interested to Apply to the ACO PC Flex Model

All organizations should evaluate their own situations when deciding to apply to the ACO PC Flex Model. Here are some key points to consider in that evaluation.

- CMS will offer one application cycle for the ACO PC Flex Model;
- All ACOs that are interested to participate must apply for a new Shared Savings Program agreement period with a January 1, 2025 start date;
- An applicant ACO may apply to the ACO PC Flex Model without impact to their Shared Savings Program application;
 - An ACO can withdraw their consideration for the model without impacting their overall Shared Savings Program application;
 - An ACO that is not selected for the model may choose to either complete or withdraw their Shared Savings Program application;
- Existing Shared Savings Program policies for renewals, early renewals, and progression to downside risk apply.

Applicant Resources

The below resources are designed to support applicants.

- Upcoming Event! CMS Office Hours Q&A: July 16. Stay tuned for more information
- Coming soon! Updated ACO PC Flex Model FAQs
- [Model Website](#)
- [Application Portal](#)
- [Model Overview Factsheet](#)
- [Frequently Asked Questions \(April 2024\)](#)
- [CMS Innovation Center Primary Care Models Comparison](#)
- [Listserv Sign-Up](#)
- ACO PC Flex Mailbox: ACOPCFlex@cms.hhs.gov

The image displays two documents related to the ACO PC Flex Model. On the left is the 'ACOPCFlex Model Overview Factsheet' from CMS, which includes sections for 'MODEL PAYMENT OVERVIEW', 'MODEL APPLICATION & TIMELINE', and 'ADDITIONAL INFORMATION'. The 'MODEL PAYMENT OVERVIEW' section explains that the model provides a one-time Advanced Shared Savings Payment to participating ACOs and monthly PPCPs to ACOs and their primary care providers. It also details what is covered, who is involved, and how much is paid. The 'MODEL APPLICATION & TIMELINE' section lists milestones such as Medicare Shared Savings Program Application, ACO PC Flex Model Application, and ACO PC Flex Model Signing Date. The 'ADDITIONAL INFORMATION' section provides the email address ACOPCFlex@cms.hhs.gov. On the right is an infographic titled 'How the CMS Innovation Center is SUPPORTING PRIMARY CARE'. It features four columns representing different models: 'States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model', 'Making Care Primary (MCP)', 'Primary Care First (PCF)', and 'ACO Realizing Equity, Access, and Community Health (ACO REACH)'. Each column lists key goals and outcomes, such as targeting historical underinvestment, improving care management, and supporting primary care practices better.

Q&A

Please **submit questions via the Q&A box** at the bottom of your screen.

You may also email questions to the ACO PC Flex Model Team at **ACOPCFlex@cms.hhs.gov**.

Renewals/Early Renewals/Terminations:

Q: If a currently participating ACO is not selected for the ACO PC Flex Model, can they revert back to their existing agreement for PY2025?

A: In general, existing Shared Savings Program Policies for renewals, early renewals, and progression to downside risk apply. From the Shared Savings Program Application Reference Manual (pg 28): “Early renewal applicants can withdraw their application and return to their current agreement period. ACOs will be automatically returned to their current agreement period upon making this withdrawal until Final Application Dispositions have been released.

However, there are varying impacts on an ACO’s ACO Participant and SNF Affiliate Lists depending on when in the application cycle the application withdrawal is made.

Q: What is a low revenue ACO? How does my ACO know if it is low or high revenue?

The high or low revenue designation is determined by CMS from the ACO participant list submitted by the ACO during phase 1 of the Shared Savings Program application. The Shared Savings Program provides revenue determinations to ACOs in the ACO Management System (ACO-MS) with the release of each Shared Savings Program phase 1 request for information (RFI; RFI-1 and RFI-2) and during the Shared Savings Program phase 1 final dispositions on October 17, 2024. Eligibility for the ACO PC Flex Model will be based on final revenue determinations provided by CMS during phase 1 final dispositions.

Frequently Asked Questions

Q: How is provider participation determined? Must all iNPIs assigned to one TIN participate or may we elect specific iNPIs to participate in ACO PC Flex?

The ACO PC Flex Model fee reductions for primary care services will apply to each PC Flex ACO Participant that includes a primary care provider. CMS will identify for fee reduction the PC Flex ACO Participants and their primary care providers based on the ACO participant list submitted as part of the ACO's Shared Savings Program application. To apply fee reductions, CMS will identify the TIN and CCN (if applicable) of each PC Flex ACO Participant and National Provider Identifiers (NPI) of each eligible primary care provider, such that CMS understands each primary care provider as a TIN/NPI combination.

Q: What is the shared savings rate in ACO PC Flex?

PC Flex ACOs are simultaneously participating in the Shared Savings Program, which governs the shared savings and losses rates based on the participation option (BASIC A-E and ENHANCED) that is selected.

Frequently Asked Questions

Q: Do the PPCPs and one-time payment amounts come out of the shared savings payment during reconciliation?

The \$250,000 one-time payment will be recouped from the ACO's shared savings until it is fully repaid.

The total value of the paid PPCP before sequestration will be added to per capita expenditures and total expenditures and be included in resulting calculations of total savings and total losses. Later in the settlement calculation, after shared savings and shared losses have been determined, the Total Enhancement Credit to settlement will be added to increase shared savings, reduce shared losses, or shift shared losses to shared savings.

Frequently Asked Questions

Q: Is the prospective payment that is paid to ACO participants (i.e. by the ACO) established by CMS or by the ACO? Does CMS provide guidance on efficient payment process for providers?

The prospective primary care payment (PPCP) will be paid by CMS to PC Flex ACOs based on the methodologies described in the RFA. Payment terms between the ACO and ACO Participants will be negotiated between the PC Flex ACO and the ACO Participants and must be detailed in writing in a ACO participant agreement. CMS does not provide guidance on these arrangements. PC Flex ACOs will be required to report quarterly the amount of payment that has been flowed to ACO Participants at the TIN or CCN level, and for what purpose. CMS will provide monthly reporting that details the PPCP at the beneficiary-month level along with other beneficiary characteristics to support distribution of PPCP to ACO participants.

Q: How does the county rate get established for multistate ACOs?

The County Base Rate and County Enhancement, where applicable, are applied at the beneficiary level based on the beneficiary's county of residence. For PC Flex ACOs that span counties or states, the average county rate for the PC Flex ACO is the beneficiary-month weighted average of the county rates of the PC Flex ACO's assigned, PPCP eligible beneficiaries. In practice, the PPCP is calculated at the beneficiary-month level. PC Flex ACO- level averages are not used to calculate payment but may be of interest to PC Flex ACOs for informational purposes.

Q: Can the ACO retain a portion of the PPCP to invest in infrastructure or does all the PPCP money need to be paid out to ACO Participants?

Allowable uses of the PPCP is detailed in Section V.A of the RFA. There are three expenditure categories, each with requirements about how much of the PPCP must be used for that category: Provision and Support of Advanced Primary Care, Operations of PC Flex ACO, Prohibited Uses.

Q: When will rate information be available to begin financial modeling for potential applicants?

CMS anticipates this information will be provided to ACOs as a report prior to phase 1 final dispositions on October 17, 2024.

Q: What is the typical difference between the reimbursement using county base capitation rates versus rates based on an ACO's historical spending?

It is important to understand how historical primary care spending compares to county averages to understand impact to cash flow. For example, for ACOs participating in regions for which the average level of primary care spending is higher than the ACO providers' historical primary care spending, the PPCP will increase primary care funding relative to the PC Flex ACO's historical expenditures.



Live Q&A

Please **submit questions via the Q&A box** to the right of your screen.

Specific questions about your organization can be submitted to ACOPCFlex@cms.hhs.gov.

Closing



What topic(s) would you like to learn more about? (Select all that apply)

- a. RFA and Application Process
- b. ACO Eligibility Requirements
- c. Primary Care Investment Targets
- d. Medicaid Participation
- e. Model Overlap
- f. One-Time Advanced Shared Savings Payment
- g. Monthly Prospective Primary Care Payments
- h. Quality and Health Equity Strategies
- i. Other (please explain in the Q&A box)

Thank You!



We appreciate your time and interest.

Please share your feedback by taking the survey following this webinar.

Questions? Email ACOPCFlex@cms.hhs.gov