

# ACO Investment Model



*Application Guidance for ACOs that  
Began Participating in the Medicare  
Shared Savings Program in 2014*

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# Disclaimer

The comments made on this call are offered only for general informational and educational purposes. As always, the agency's positions on matters may be subject to change. CMS's comments are not offered as and do not constitute legal advice or legal opinions, and no statement made on this call will preclude the agency and/or its law enforcement partners from enforcing any and all applicable laws, rules and regulations. ACOs are responsible for ensuring that their actions fully comply with applicable laws, rules and regulations, and we encourage you to consult with your own legal counsel to ensure such compliance. Furthermore, to the extent that we may seek to gather facts and information from you during this call, we intend to gather your individual input. CMS is not seeking group advice.

# ACO Investment Model

The ACO Investment Model provides pre-paid shared savings to ACOs for staffing and infrastructure that supports population care management, financial management or other essential ACO functions.

- *1) An upfront, variable payment: \$36 per assigned beneficiary.*
- *2) A monthly payment of varying amount depending on the size of the ACO: \$6 per beneficiary per month.*

# ACO Investment Model Eligibility for 2014 starters

To be eligible for this round of ACO Investment Model funding:

- The ACO must be accepted into, participate and be in good standing in the Shared Savings Program. The ACO's first performance period in the Medicare Shared Savings Program must have started in 2014.
- The ACO has completely and accurately reported quality measures to the Medicare Shared Savings Program in the most recent performance year.
- The ACO has a preliminary prospective beneficiary assignment of 10,000 or fewer beneficiaries for the most recent quarter, as determined in accordance with the Shared Savings Program regulations.
- The ACO does not include a hospital as an ACO participant or an ACO provider/supplier (as defined by the Shared Savings Program regulations), unless the hospital is a critical access hospital (CAH) or inpatient prospective payment system (IPPS) hospital with 100 or fewer beds.
- The ACO is not owned or operated in whole or in part by a health plan.
- The ACO did not participate in the Advance Payment Model.

# How to Apply


- The application is accessible via the AIM website: <http://innovation.cms.gov/initiatives/ACO-Investment-Model/>
- Click “Online Application Portal” in Additional Information section at the bottom of the page.
- Click on “ACO Registration” to receive a log in.
- The deadline for applications is August 7, 2015 at 11:59pm.
  - All applications must be started by July 31, 2015 at 11:59pm.

# Registration

**CMS.gov**

Centers for Medicare & Medicare Services

## ACO Investment Model Online Application



**Username**

**Password**

**Login**

[Forgot Password?](#)

ACO Registration

# Section D: ACO Investment Plan

1. Describe the types of staffing and infrastructure that the ACO will acquire and/or expand using the pre-paid shared savings from the ACO Investment Model. How does each support population care management, financial management, or other essential ACO functions? **(3 page maximum\*)**
2. Give a summary of the timing of procurements, activities, and hiring activities by year.
  - a. Months 1 – 12 of agreement [Please indicate date range]. **(2 page maximum\*)**
  - b. Months 13 – 24 of agreement (or until end of agreement period if agreement period shorter than 24 months) [Please indicate date range]. **(2 page maximum\*)**
3. How do these investments build on staff capacity and infrastructure that the ACO already has or plans to acquire using its own funding? **(2 page maximum\*)**
4. Unacceptable uses of pre-paid shared savings from the ACO Investment Model include:
  - Augmenting provider salaries or providing bonuses to executives or administrators.
  - Imaging equipment (use of funds for other equipment will be scrutinized carefully as well, but not necessarily prohibited).

Does the spend plan include any expenditures that might be interpreted as being in one of these categories? If so, please give a detailed description and rationale for the expenditure. **(1 page maximum\*)**

\* Please adhere to page limitations, CMS cannot guarantee that any additional information beyond the requested page maximum will be reviewed.

# Section E: Spend Plan

1. To begin your Spend Plan, please select a year from the drop down box. Spend plan instructions are provided via help boxes.

## Section E: Spend Plan

All fields are required unless noted as **optional**. Always click **Save** or **Save and Continue** before navigating to different sections or exiting the application, otherwise your data will not be saved.

**INSTRUCTIONS:** To begin completing your spend plan, please select a year from the drop-down menu. Then select "Continue" to enter your yearly budget information. Alternatively, you can select the hyperlink for the initial year of your Spend Plan. If you would like to replicate the previous year's budget information, please select "Duplicate".

Please Select One ▾

Continue

Years

<a href="#">2016</a>	<a href="#">2017</a>	<a href="#">2018</a>	<a href="#">2019</a>
Saved	Saved	Saved	Saved

Review Spend Plan

### **Budget Information**

Expected Total AIM Funds to be Disbursed to ACO: \$ 2,530,000.00

Expected Total AIM Funds in Budget: \$ 1,676,779.52

Difference: \$ **853,220.48**

ACO Funds: \$ 400,828.05

















Save and Continue



# Section E: Spend Plan

Save and Continue

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Year: 2016		Quarter 1		Quarter 2		Quarter 3		Quarter 4		
Actions		AIM Funds	ACO Funds	AIM Funds	ACO Funds	AIM Funds	ACO Funds	AIM Funds	ACO Funds	
<b>+ Add</b> Clinical Staff										
 Edit	 Delete	Arif's expense	23,234.02	3,232.00	10.00	2,000.00	10.00	10.00	10.00	10.05
 Edit	 Delete	Batman	200.00	4,570.00						
 Edit	 Delete	Doctor	20,001.00	20,001.00	20,001.00	20,001.00	20,001.00	20,001.00	20,001.00	20,001.00
 Edit	 Delete	Doctor1								
 Edit	 Delete	Oliver's Expense	10,000.00	10,000.00						
 Edit	 Delete	Test	2,323.00							
AIM Fund Clinical Staff Total: 115,791.02										
ACO Fund Clinical Staff Total: 99,826.05										
<b>+ Add</b> Non-Clinical Staff										
 Edit	 Delete	Will's Expense	20,001.00	10,002.00						
AIM Fund Non-Clinical Staff Total: 20,001.00										
ACO Fund Non-Clinical Staff Total: 10,002.00										
<b>+ Add</b> Contracted Labor										
AIM Fund Contracted Labor Total: 0.00										
ACO Fund Contracted Labor Total: 0.00										
<b>+ Add</b> IT (Hardware/Software)										
 Edit	 Delete	Software Engineer	15,000.00	15,000.00						
AIM Fund IT (Hardware/Software) Total: 15,000.00										
ACO Fund IT (Hardware/Software) Total: 15,000.00										

# Spend Plan Evaluation Rubric

## Evaluation Rubric

Spend plans will be scored as “Unacceptable,” “Acceptable,” “Good” or “Exceptional” on each of the following criteria. An ACO with an “unacceptable” rating in any criteria will not be eligible for funding.

- **Unacceptable** – Spend plan lacks crucial information, does not address questions, and/or proposes spending on activities/investments that are not consistent with the goals of the Model. If the ACO does not document any investment in infrastructure outside of AIM funding, a thorough and compelling justification must be provided.
- **Acceptable** – Spend Plan lacks detail but response is consistent with goals of supporting population care management, financial management or other essential ACO functions. ACO proposes only minimal investments in infrastructure outside of AIM funding.
- **Good** – Spend Plan includes reasonable timelines, rationales for how funds will be spent, is consistent with goals of supporting population care management, financial management or other essential ACO functions. Spend plan describes and builds upon existing infrastructure and demonstrates that ACO is committed to making significant amount of investment in infrastructure outside of AIM funding.
- **Exceptional** – Applicant clearly describes procurements/activities/hiring with substantial detail. Timelines and cost estimates are reasonable and described in detail. Applicant provides compelling rationales for how funds will be spent. Proposed spending is consistent with goals. Proposed spending builds on existing infrastructure and demonstrates very strong commitment to investment in infrastructure outside of AIM funding.

# Spend Plan Evaluation Rubric

Criteria	Weight
<b>Completeness and clarity of application (30% total weight)</b>	
<ul style="list-style-type: none"> <li>Procurements / activities / hiring are described in detail, along with estimated costs (e.g., unit prices and numbers of equipment/software licenses where appropriate, type and number of staff, expected salaries, etc.)</li> </ul>	15%
<ul style="list-style-type: none"> <li>Documentation of ACO's own investments in infrastructure</li> </ul>	15%
<b>Feasibility (20% total weight)</b>	
<ul style="list-style-type: none"> <li>Feasible timeframe for procurement / activities / hiring within the first 24 months of the Agreement</li> </ul>	20%
<b>Overall strength of plan and business case for investment (50% total weight)</b>	
<ul style="list-style-type: none"> <li>Compelling rationales for how each procurement / activity / hiring will support population care management, financial management, or other essential ACO functions</li> </ul>	30%
<ul style="list-style-type: none"> <li>Compelling explanation of how investments will build upon existing infrastructure and experience in care coordination, information management, working with community partners, and other essential ACO functions, as well as integration with investments outside of the AIM funding</li> </ul>	20%

# Guidelines on Use of Funds

There are some guidelines on the use of AIM funds.

**Acceptable uses of AIM funding include but are not limited to:**

- Investments in infrastructure such as the expansion of HIT systems to include a patient portal and/or data warehouse capabilities
- Hiring of staff such as nurse case managers, executives or project directors to oversee the implementation of care coordination efforts.

**Unacceptable uses of AIM funding include:**

- Augmenting provider salaries or providing bonuses to executives or administrators.
- Imaging equipment (use of funds for other equipment will be scrutinized carefully as well, but not necessarily prohibited)

# Contact

***Further questions, please contact  
AIM@cms.hhs.gov.***