Should You Stay or Should You Go?

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Should I stay or should I go?
If I go there will be trouble
And if I stay it will be double.
-The Clash

In the next several months, more than 200 Medicare Shared Savings Program (MSSP) ACOs face a big decision. What had looked like a simple choice to "stay or go" will be more complex.

Among the new program options is the Next Generation ACO Model. CMS has announced this model will target 15 to 20 top-performing MSSP or Pioneer ACOs. Next Generation ACOs will bear between 80 and 100 percent of risk (capped at 15 percent of spending). Other elements of the model include:

- A new benchmark calculation methodology
- The ability to waive copays to steer patients to ACO providers
- Monthly advances to support ACO infrastructure
- Discounts or capitation of payment to ACO providers
- Flexibility in the use of telemedicine, home visits, and skilled nursing facilities (SNFs)

TIMING CONSIDERATIONS

Although it is natural to get distracted by this new model, it is important to remember that it is one of several. CMS is considering many comments on its proposed rule and has hinted it will make more positive changes to maintain participation. But the timing does not make planning easy: The final rule is not expected until this summer.

Each of those 200+ ACOs will need to make its renewal decision without a clear picture of its own performance. Results for 2013 were less than stellar, with about three-quarters of ACOs not receiving any shared savings. Preliminary results for 2014 will be available before decisions must be made, but the reconciliation for 2014 will not be available until this fall, to the likely decision deadline.

With neither individual ACO reconciliations nor the final rule available, it may seem hard to plan. But you should start now.

WHAT SHOULD YOU DO?

Each ACO facing renewal should initiate a focused decision process, using currently available information about its performance to date. Adjustments should be made based on new information as it arrives.

The process should consist of the following steps:

- First, evaluate the Next Generation ACO option, because the Letter of Intent is due May 1, 2015, for 2016 participation.
- Assess the ACO's potential for future success if the rules were to stay the same.
- Identify your preferred track based on the proposed rule, which includes options for no downside risk (and less reward) or greater risk (and greater reward).
- Understand the impact of the following potential revisions on your ACO:
  - A new methodology for setting benchmarks that could make it easier to succeed
  - Changes to the minimum savings rate
  - Changes in beneficiary assignment methodology that could smooth operations
- Engage physician members in the discussion of options. Providing information and education, and seeking input, will help maintain trust and buy-in.
- If you are considering a complete exit from the program, evaluate the impact on waivers, physician alignment, and organizational momentum toward value-based payments.
- Plan your long-term strategy so it supports your transition to value-based payments.

Start evaluating your options now. A lot is at stake.

Start evaluating your options now. A lot is at stake. This decision deserves thorough strategic and financial analysis and thoughtful discussion, even though the timing is tough.

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