Below please find informative FAQs on the Medicare Shared Savings Program Provided by CMS.

Q: What is an Accountable Care Organization (ACO)?

A: ACOs are groups of doctors, hospitals, and other health care providers, who come together voluntarily to give coordinated high quality care to the Medicare patients they serve. Coordinated care helps ensure that patients, especially the chronically ill, get the right care at the right time, with the goal of avoiding unnecessary duplication of services and preventing medical errors. When an ACO succeeds in both delivering high-quality care and spending health care dollars more wisely, it will share in the savings it achieves for the Medicare program.

Q: What are the rights of my Medicare patients if they see providers who participate in a Medicare ACO?

A: Fee-for-service Medicare patients who see providers that are participating in a Medicare ACO maintain all their Medicare rights, including the right to choose any doctors and providers that accept Medicare. Whether a provider chooses to participate in an ACO or not, their patients with Medicare may continue to see them.

Q: What is the definition of an ACO participant and why is this concept important to understand?

A: An ACO participant is defined at §425.20 as an individual or group of ACO providers/suppliers that is identified by a Medicare-enrolled tax ID number (TIN), that alone or together with one or more other ACO participants comprises the ACO, and that is included on the list of ACO participants required to be submitted as part of the application and updated at the start of each performance year and at other times as specified by CMS. An ACO participant bills Medicare for services through its Medicare-enrolled TIN, or CMS Certification Number (CCN). ACO participant billing TINs (or CCNs) are the basis for establishing eligibility, assignment of beneficiaries, computation of the benchmark, and quality assessment.

As part of its application, the ACO will be required to submit a list of ACO participants. Examples of ACO participants are: a group practice, an acute care hospital, a pharmacy, a solo practice, a Federally Qualified Health Center, a Critical Access Hospital, a Rural Health Center, and other entities that are Medicare-enrolled and bill Medicare for services through a Medicare-enrolled TIN.

Q: What is the definition of an ACO provider/supplier?

A: An ACO provider/supplier means an individual or entity that is a Medicare provider or supplier enrolled in Medicare and bills for services under an ACO participant TIN. For example, a large group practice may qualify as an ACO participant. A Medicare enrolled physician billing under the practice TIN would be an ACO provider/supplier.

Q: When an ACO applies for participation in the Medicare Shared Savings Program, must the ACO have agreements with all ACO participants at that time?

A: Yes. As part of its application, the ACO must certify that the ACO, its ACO participants, and its ACO providers/suppliers have agreed to become accountable for the quality, cost, and overall care of the Medicare fee-for-service beneficiaries assigned to the ACO (42 CFR 425.204(a)). We note that, as part of the application, the ACO must submit to CMS documents (for example, participation agreements, employment contracts, and operating policies) sufficient to describe, among other things, the ACO participants’ and the ACO providers'/suppliers’ rights and obligations in and representation by the ACO (42 CFR 425.204(c)). The ACO is responsible for ensuring each ACO participant, ACO providers/supplier billing through each ACO participant, and other individuals or entities performing functions or services related to ACO activities agree to and are in compliance with the requirements of the program (42 CFR 425.210).
Q: How are beneficiaries assigned to an ACO?

A: Beneficiaries will be assigned to an ACO, in a two-step process, if they receive at least one primary care service from a physician within the ACO:

1) The first step assigns a beneficiary to an ACO if the beneficiary receives the plurality of his or her primary care services from primary care physicians within the ACO. Primary care physicians are defined as those with one of four specialty designations: internal medicine, general practice, family practice, and geriatric medicine or for services furnished in a federally qualified health center (FQHC) or rural health clinic (RHC), a physician included in the attestation provided by the ACO as part of its application.

2) The second step only considers beneficiaries who have not had a primary care service furnished by any primary care physician either inside or outside the ACO. Under this second step, a beneficiary is assigned to an ACO if the beneficiary receives a plurality of his or her primary care services from specialist physicians and certain non-physician practitioners (nurse practitioners, clinical nurse specialists, and physician assistants) within the ACO. A plurality means the ACO participants provided a greater proportion of primary care services, measured in terms of allowed charges, than the ACO participants in any other ACO or Medicare-enrolled provider TIN, but can be less than a majority of services.

Q: Once an ACO has signed an agreement with CMS, may ACO participants be added or subtracted during the course of the agreement period?

A: Although each ACO participant TIN is required to agree to commit to a 3-year agreement with CMS to participate in the Shared Savings Program, we recognize there may be reasons why an ACO participant may leave or be added to an ACO during the course of the agreement period. When such changes occur, the ACO must notify CMS within 30 days of the change. Additionally, the ACO must provide an updated ACO participant list at the beginning of each performance year and at such other times as specified by CMS. The ACO’s eligibility to participate may be affected by such changes. Additionally, such changes may necessitate adjustments to the ACO’s benchmark or cause changes to risk scores or preliminary prospective assignment.

ACO Participant List

Q: What is an ACO Participant?

A: An ACO participant is defined at 42 CFR §425.20 as an individual or group of ACO providers/suppliers that is identified by a Medicare-enrolled tax ID number (TIN), that alone or together with one or more other ACO participants comprises the ACO, and that is included on the list of ACO participants required to be submitted as part of the application. This list of ACO participants is also to be updated at the start of each performance year and at other times as specified by CMS. The Medicare Shared Savings Program uses ACO participant billing TINs (in addition to CCNs in the case of FQHCs, RHCs, and Method II critical access hospitals) as the basis for establishing eligibility, assignment of beneficiaries, computation of the benchmark, and quality assessment.

As part of its application, the ACO will be required to submit a list of ACO participants. Examples of ACO participants are: a group practice, an acute care hospital, a pharmacy, a solo practice, a federally qualified health center, a critical access hospital, a rural health center, and other entities that are Medicare-enrolled and bill Medicare for services though a Medicare-enrolled TIN.
Q: Who is an ACO provider/supplier?

A: An ACO provider/supplier is an individual or entity that is a provider or supplier enrolled in Medicare, bills for items and services under an ACO participant tax ID number (TIN), and is included on the list of ACO participants required to be submitted as part of the application and updated as required by CMS. For example, a large group practice may qualify as an ACO participant. A Medicare enrolled physician billing under the practice’s TIN would be an ACO provider/supplier.

Q: When should I include CCN information on the ACO Participant List, and why is this important?

A: You must include the CMS Certification Number (CCN) information if the ACO participant is a federally qualified health center (FQHC), rural health center (RHC) or Method II Critical Access Hospital (Method II CAH). We use the CCN to identify primary care service claims submitted by those types of providers when assigning beneficiaries to your ACO (for all other types of providers, we use the tax ID number (TIN) to identify those claims.)

Q: Will I have to identify the NPIs of ACO providers/suppliers billing under my ACO participants?

A: You must include the National Provider Identifier (NPI) information for physicians who directly provide patient primary care services in an FQHC or RHC on the ACO Participant List submitted as part of your application. By including the NPI information for these physicians, you attest that the individual NPIs are physicians who directly provide patient primary care services in the FQHC or RHC as required under 42 CFR §425.404. We use this information to identify the pool of eligible beneficiaries for assignment, although all NPIs under the FQHC or RHC CMS Certification Number (CCN) are part of the ACO as ACO providers/suppliers.

In the application, you will not have to identify any NPIs on the ACO Participant List for physicians who do not provide primary care services under an FQHC or RHC. However, if we accept your application to the Medicare Shared Savings Program we will identify all the Medicare enrolled providers and suppliers associated with your ACO participants using the Medicare Provider Enrollment, Chain, and Ownership System (PECOS). All ACO providers/suppliers billing under an ACO participant tax ID number (TIN) are a part of the ACO. Once we identify the providers and suppliers associated with your ACO participants, we will send you a list of those NPIs for your review. You should note any corrections to the list, certify the accuracy of the list (as corrected, if necessary), and return the certified list to CMS.

It is important that all your ACO participants and ACO providers/suppliers verify that their PECOS enrollment is up to date. Your ACO participants, and the ACO providers/suppliers billing under those TINs must update their own enrollment information in PECOS. Instructions are available through the CMS Web site at https://pecos.cms.hhs.gov/pecos/login.do.

Q: What is the purpose of the ACO Participant List?

A: The Participant List is the official list of the ACO participants in your ACO. We use this list: (1) to identify and screen the ACO participants, (2) to identify and screen all ACO providers/suppliers associated with the ACO participants’ tax ID numbers (TINs) submitted (and CCNs, as appropriate), and (3) as a way for applicants that include FQHC/RHC participants to meet the attestation requirement under 42 CFR §425.404. Such applicants are required to attest that the individual NPIs included in Column I of the Participant List template are physicians who directly provide patient primary care services in the FQHC or RHC.

We also use this information to identify the beneficiaries for preliminary prospective and final retrospective assignment. (For more information about beneficiary assignment, see this CMS factsheet.)

Q: How do I add/remove ACO participants to/from my ACO Participant List?

A: During the application period, you will have limited opportunities to add or remove ACO participants to or from this list. Once the ACO agreement period begins, pursuant to 42 C.F.R. §425.304(d), the ACO must maintain, update, and
annually furnish the list to CMS at the beginning of each performance year and at other such times as specified by CMS. Consistent with this requirement, you must notify CMS of any changes to the ACO Participant List within 30 days of such a change.

ACO Participant TIN Exclusivity and Other Entities

Q: What is the rule on provider exclusivity under the Medicare Shared Savings Program?

A: The Medicare Shared Savings Program requires that each Accountable Care Organization (ACO) participant TIN upon which beneficiary assignment is dependent must be exclusive to one Medicare Shared Savings Program ACO (This requirement appears in the Medicare Shared Savings Program regulations at §425.306(b)). This means that a taxpayer identification number (TIN) or CMS Certification Number (CCN) billing Medicare for primary care services (as defined in the Medicare Shared Savings Program regulations at §425.20) must be exclusive to one ACO’s certified list of ACO participants. A TIN or CCN may appear on the certified list of ACO participants for multiple ACOs only if it doesn’t bill Medicare for primary care services.

Under the Medicare Shared Savings Program rules, ACOs submit a certified list of ACO participants at the beginning of each performance year and at such other times as specified by CMS. CMS uses this list for assignment, benchmarking, developing the sample for quality reporting, and other important program operations. Any ACO participant that bills for primary care services must be exclusive to a single Medicare Shared Savings Program ACO to make sure each ACO has a unique list of assigned beneficiaries.

Note: This exclusivity rule applies to the Medicare-enrolled billing TIN that is an ACO participant in the ACO, not to individual practitioners. Individual practitioners are free to participate in multiple ACOs if they bill under several different TINs. Also, the exclusivity rule applies only for Medicare Shared Savings Program operational purposes. In no way does it establish or otherwise imply a lock in of beneficiaries or a limitation of provider practice or referrals.

Q: Why does Medicare have an exclusivity rule under the Medicare Shared Savings Program?

A: We require each ACO to have a unique patient population so we can perform important program operations such as beneficiary assignment, benchmarking, sampling for quality reporting, and performance evaluation. Therefore, we require that ACO participants billing for “primary care services” on which we base assignment are exclusive to a single ACO. If we were to allow ACO participants to be associated with two or more ACOs, then it would be unclear to which ACO beneficiaries that get primary care services billed by the ACO participant would be assigned, and consequently, which ACO would get any shared savings arising from the ACO participant’s efforts.

Q: I’m a medical specialist in solo practice and I bill for office evaluation and management services that are included in the definition of primary care services. Is it true that I must keep my TIN exclusive to only one ACO?

A: Yes, an ACO participant TIN that bills for primary care services must be exclusive to a single Medicare Shared Savings Program ACO. Exclusivity under the Medicare Shared Savings Program is governed by the types of services that are furnished by the ACO providers/suppliers that bill under the ACO participant TIN, not by whether the TIN bills for services furnished by primary care physicians, specialists, or a mix of providers.

Q: I heard that only primary care physicians are required to be exclusive to only 1 ACO under the Medicare Shared Savings program. Is that true?

A: No. You may have heard about the one-step assignment methodology discussed under the proposed rule, but that’s not the policy that was adopted in the final rule. In response to comments submitted to CMS by specialists and other practitioners, we expanded the assignment methodology in the final rule to provide for consideration of the primary care services provided by specialist physicians, physician assistants (PAs), nurse practitioners (NPs), and clinical nurse

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specialists (CNSs) in the assignment process. Therefore, we also extended our exclusivity policy to include ACO participant TINs made up of practitioners with physician specialty designations, NPs, PAs, and CNSs if they bill for primary care services.

**Q:** I’m a specialist and bill for office evaluation and management services (which CMS defines as being “primary care”) under a single TIN. Can my TIN be a participant in more than one ACO if I make sure all my patients see a primary care physician who’s not participating in my ACO? By doing this I’d make sure that no patients are assigned to my ACO based on my services.

**A:** No. An ACO participant TIN that bills for primary care services must be exclusive to a single Medicare Shared Savings Program ACO. TIN exclusivity under the Medicare Shared Savings Program is not affected by whether or not non-ACO physicians also treat beneficiaries that receive primary care services billed by the ACO participant TIN.

You can log onto the below CMS website for additional FAQs on the ACO.

http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/FAQ.html#ACO Gen