How the Medicare ACO Models Stack Up

Hospitals, health systems, and physician groups across the country continue to evaluate the menu of Medicare ACO options. Whether applying for the first time, graduating to downside risk, or tracking CMS's evolving approach to ACOs, leaders need to understand the key details of each model. Read on to learn how the different Medicare ACO models stack up.

	Agreement Period	Minimum Population Size	Downside Risk	Advanced APM* Qualification	Sharing Rate	Shared Loss Rate	Min. Savings Rate (MSR) / Min. Loss Rate (MLR)	First Dollar Sharing?	Maximu Gain
Medicare Shared Savings Program TRACK 1	Three years; allowed to renew for second three-year period or extend first period by one year (maximum of six years)	5,000	X No	X No	Up to 50% Depending on quality performance	N/A	MSR 2.0%–3.9% based on size of attributed population. No MLR MSR MLR	Yes, once MSR is met	15% 10% 5% -5% of Benchmar -15%
Medicare Shared Savings Program TRACK 1+	Three years (Track 1 participants may complete current agreement periods in Track 1+)	5,000	Yes	Yes	Up to 50% Depending on quality performance	30% fixed	Option One: No MSR/MLR MSR MLR Option Two: Symmetrical in 0.5% increments, 0.5%-2.0% MSR MLR Option Three: Symmetrical 2.0%-3.9%, based on size of ACO MSR MLR	Yes, once MSR/MLR is met	15% 5% -5% of Benchmar -15%
Medicare Shared Savings Program TRACK 2	Three years	5,000	Yes	V Yes	Up to 60% Depending on quality performance	40% to 60% Equal to one minus the sharing rate, but must fall within this range	Option One: No MSR/MLR MSR MLR Option Two: Symmetrical in 0.5% increments, 0.5%–2.0% MSR MLR Option Three: Symmetrical 2.0%–3.9%, based on size of ACO MSR MLR	Yes, once MSR/MLR is met	15% 15% .5% -5% of Benchmar -15%
Medicare Shared Savings Program TRACK 3	Three years	5,000	Yes	Yes	Up to 75% Depending on quality performance	40% to 75% Equal to one minus the sharing rate, but must fall within this range	Option One: No MSR/MLR MSR MLR Option Two: Symmetrical in 0.5% increments, 0.5%-2.0% MSR MLR Option Three: Symmetrical 2.0%-3.9%, based on size of ACO MSR MLR	Yes, once MSR/MLR is met	20% 15% -5% of Benchmar -15%
Next Generation ACO MODEL***	One to three years (depending on timing of first year of participation); allowed to apply for up to two additional years	10,000 (7,500 for rural providers)	Yes	Yes	80% or 100% Participant choice between two risk arrangements	80% or 100% Participant choice between two risk arrangements	No MSR/MLR. CMS applies discount to benchmark; size of discount depends on ACO's efficiency relative to national and regional benchmarks MSR MLR	Yes, from benchmark including discount	15% 15% 5% -5% of Benchmar



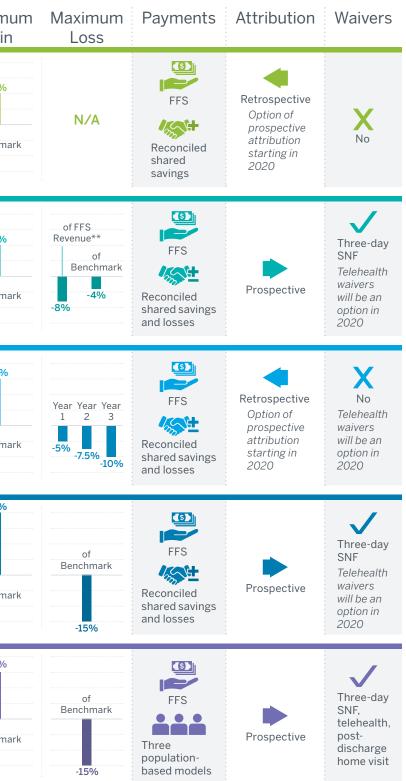
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Note: Current as of March, 2018.

* Alternative payment model.

** ACOs that include (or are operated at least in part by) an Inpatient Prospective Payment System hospital, cancer center, or rural hospital with >100 beds are subject to the benchmark-based loss sharing limit. All others are subject to the revenue-based loss-sharing limit.

*** Five-year initiative running from January 2016 to December 2020. Application period now closed.



Learn more about navigating Medicare ACOs, Medicare Advantage, and the future of risk-based payment advisory.com/hcab/MedicareRiskStrategy