

On December 15, 2016, CMS announced the Medicare-Medicaid Accountable Care Organization (ACO) Model, a new initiative designed to improve the quality of care and lower costs for beneficiaries who are enrolled in both Medicare and Medicaid. The new model will expand opportunities for clinicians to participate in Advanced Alternative Payment Models under MACRA.

How is this Different from Current ACO Models?

In current Medicare ACO initiatives, beneficiaries who are Medicare-Medicaid enrollees (“dual eligibles”) may be attributed to ACOs. However, ACOs often do not have financial accountability for the Medicaid expenditures for those beneficiaries. The Medicare-Medicaid ACO Model will allow interested states to offer new and existing Medicare Shared Savings Program ACOs the opportunity to take on accountability for both Medicare and Medicaid costs and quality for their beneficiaries.

How Does My State Participate?

CMS has requested Letters of Intent from states that wish to work with CMS to design certain state-specific elements of the Model, such as the details of the Medicaid financial methodology and shared savings/shared losses arrangements, selection of additional quality measures, and additional ACO eligibility requirements. To participate, a state must have a sufficient number of Medicare-Medicaid enrollees in fee-for-service Medicare and Medicaid. CMS will enter participation agreements with up to six states, with preference given to states with currently low Medicare ACO saturation.

States will also have the option to expand the target population beyond those who are currently eligible under the Shared Savings Program, including Medicaid-only beneficiaries, subject to CMS approval.

Details of Participation:

Certain aspects of the Model may vary by state, but the over-arching principles and parameters will be consistent across the Model. If Medicare-Medicaid ACOs in the state generate Medicare savings for their Medicare-Medicaid enrollees, states (as well as the Medicare-Medicaid ACO) may be eligible to share in those savings with CMS.

- **Start Date:** States may choose from three options for when to begin the first 12-month performance period: January 1, 2018; January 1, 2019; or January 1, 2020.
- **Safety-Net ACOs:** Medicare-Medicaid ACOs that qualify as “Safety-Net ACOs” will be

eligible to receive pre-payment of Medicare shared savings to support the ACO's investment in care coordination infrastructure. The specific definition of "Safety-net ACO," the number of funds, and the process for applying will be released later.

For more information: [Website](#); [Fact Sheet](#); [Press Release](#); [FAQs](#)