Accountable Care Organizations (ACOs): General Information

Accountable Care Organizations (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 shares in the savings it achieves for the Medicare program (the "Shared Savings Program").

ACOs must have at least 5,000 Medicare fee-for-service (FFS) beneficiaries assigned to their ACO in each benchmark year to be eligible for participation in the Shared Savings Program. USA Senior Care Medicare Supplement (Med Supp) insurance carrier clients have 10.5 million seniors with traditional Medicare and a Medicare Supplement policy in its Med Supp cost containment program nationally.

USA Senior Care Medigap Program

Participation in USA Senior Care can increase membership in ACOs. USA Senior Care Network (SCN) seniors are healthier than Medicare Advantage seniors (per CSG Actuarial Annual Marketing Projections 2020) and realize that using a participating ACO Hospital can help keep a lid on future premium rate increases. The participating providers receive 100% of Medicare and facilities discount the Part A deductible on applicable inpatient stays. The obligation of the participating insurer to pay the Part A deductible and it is not reduced by participating in the SCN. Facilities will never discount the Part B deductible and can see an increase in revenue by participating in USA Senior Care Network.

- **Awareness:** Knowledge of the SCN program is generated through insurance carrier mailings and information on the carrier website after a policy is issued to the insured. Insurers are prohibited from providing information to a prospective insured prior to issuing a policy. Network recognition is identified with the SCN name/logo and customer care phone number on the policyholder's Medicare Supplement ID card and/or with SCN's name on the EOB/ERA.
- **Physician Outreach:** Physicians with privileges at contracted hospitals are contacted to confirm they participate in Medicare and take new patients, and then they are added to USA SCN's Physician Database.
- **In-Patient Utilization:** When policyholders need an in-patient procedure, there is no need for pre-approvals or prior authorizations beyond the typical Medicare requirements, greatly simplifying the admission process.
- **Policyholder Claims:** Filing claims follows the same straightforward process used for basic Medicare beneficiaries. There is no special workflow.
- **Claims Payment:** Hospitals are reimbursed at full Medicare rates. The Explanation of Payment includes the reason code for the USA Senior Care contractual agreement.
- **Out-Patient Utilization:** There is no Part B waiver or discounts with the program. Providers are reimbursed at full Medicare rates.

ACO & SCN Partnership

ACOs are groups of health care providers that have agreed to be held accountable for the cost and quality of care for a group of beneficiaries. Providers, both inside and outside the ACO, generally continue to be

paid their normal fee-for-service (FFS) rates by Medicare. USA Senior Care Network does not affect the Medicare reimbursement for facilities or providers.

SCN members are Medicare Supplement policyholders and participation in hospital owned ACOs means keeping their annual premium rates affordable. By sharing information about a patient's medical history and coordinating treatment among ACO providers, an ACO doctor can provide better care. The ACO team works to keep patients healthy and out of the hospital. That can mean lower out of pocket costs for ACO members.

CMS measures every ACO's quality performance using standard methods. Quality measures span four domains: patient/caregiver experience, care coordination/patient safety, preventive health, and at-risk populations. USA Senior Care Network seniors lessen the risk for ACOs and help to improve outcome scores because seniors purchasing a Medicare Supplement policy are a healthier population when compared to Medicare Advantage participants.

Medicare offers several ACO programs (cms.gov)

•Medicare Shared Savings Program - For fee-for-service beneficiaries

The Medicare Shared Savings Program is committed to achieving better health for individuals, better population health, and lowering growth in expenditures.

•ACO Investment Model - For Medicare Shared Savings Program; ACOs to test pre-paid savings in rural and underserved areas.

The ACO Investment Model was an initiative designed for organizations participating as accountable care organizations (ACOs) in the Medicare Shared Savings Program (Shared Savings Program). The ACO Investment Model was a model of pre-paid shared savings that built on the experience of the Advance Payment Model. This model tested the use of pre-paid shared savings to encourage new ACOs to form in rural and underserved areas and to encourage current Medicare Shared Savings Program ACOs to transition to arrangements with greater financial risk.

•Advance Payment ACO Model- For certain eligible providers already in or interested in the Medicare Shared Savings Program.

The Advance Payment Model was designed for physician-based and rural providers who have come together voluntarily to give coordinated high-quality care to the Medicare patients they serve. Through the Advance Payment ACO Model, selected participants received upfront and monthly payments, which they could use to make important investments in their care coordination infrastructure.

•Comprehensive ESRD Care Initiative- For beneficiaries receiving dialysis services

The Comprehensive ESRD Care (CEC) Model is designed to identify, test, and evaluate new ways to improve care for Medicare beneficiaries with End-Stage Renal Disease (ESRD). Through the CEC Model, CMS will partner with health care providers and suppliers to test the effectiveness of a new payment and service delivery model in providing beneficiaries with person-centered, high-quality care. The Model builds on Accountable Care Organization experience from the Pioneer ACO Model, Next

Generation ACO Model, and the Medicare Shared Savings Program to test Accountable Care Organizations for ESRD beneficiaries.

•Next Generation ACO Model- For ACOs experienced in managing care for populations of patients.

Building upon experience from the Pioneer ACO Model and the Medicare Shared Savings Program (Shared Savings Program), the Next Generation ACO Model offers an exciting opportunity in accountable care—one that sets predictable financial targets, enables providers and beneficiaries greater opportunities to coordinate care, and aims to attain the highest quality standards of care.

•Pioneer ACO Model- Health care organizations and providers already experienced in coordinating care for patients across care settings.

The Pioneer Accountable Care Organization (ACO) Model was designed for health care organizations and providers that were already experienced in coordinating care for patients across care settings. It allowed these provider groups to move more rapidly from a shared savings payment model to a population-based payment model on a track consistent with, but separate from, the Medicare Shared Savings Program. And it was designed to work in coordination with private payers by aligning provider incentives, which improved quality and health outcomes for patients across the ACO, and achieved cost savings for Medicare, employers and patients.

•Vermont All-Payer ACO Model- Effort to transform healthcare for Vermont's population

The Vermont All-Payer Accountable Care Organization (ACO) Model is the Centers for Medicare & Medicaid Services' (CMS) new test of an alternative payment model in which the most significant payers throughout the entire state – Medicare, Medicaid, and commercial health care payers – incentivize health care value and quality, with a focus on health outcomes, under the same payment structure for the majority of providers throughout the state's care delivery system and transform health care for the entire state and its population.

How do ACOs benefit patients?

The benefits of ACOs are numerous and there are many stakeholders who obtain advantages from this model of care. The patient community gains a wide number of advantages including improved outcomes, better quality of care, greater engagement with providers, and an overall reduction in out-of-pocket costs. USA Senior Care Medicare Supplement insurance company clients can help move their policyholders to network facilities in ACOs and help to improve quality outcomes for ACOs.