



# Application Reference Manual

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# REVISION HISTORY

Changes made to this document will be noted in this section along with the date of publication. This document is released annually, typically in the early spring.

Revised Section/Description of Revision	Date
<ul style="list-style-type: none"><li>The Application Reference Manual went through a redesign and restructure. All sections have been updated.</li></ul>	



# Table of Contents



## Overview ..... 4

Introduction ..... 4

How to use this Resource ..... 4



## Understanding the Shared Savings Program ..... 6

ACO Cohorts ..... 6

Participation Options and Shared Savings Program Tracks ..... 7

Minimum Assigned Beneficiaries ..... 7

Common ACO Structure ..... 8



## Phase 1 of the Application ..... 9

Complete ACO-MS Registration ..... 9

Section 1: ACO Information ..... 10

Section 2: Program Participation ..... 10

Section 3: Certify the Application ..... 17



## Respond to Requests for Information ..... 18

RFI Types and Available Actions ..... 18

Application Cycle Subtab and Participation Options Report ..... 19



## Phase 2 of the Application ..... 21

Section 1: ACO Information ..... 21

Section 2: Program Participation ..... 22

Section 3: Leadership and Governance ..... 23

Section 4: Certifications ..... 24



## Responding to Phase 2 RFI ..... 26

RFI Types and Available Actions ..... 26



## Withdrawing an Application ..... 27

Special Considerations for Early Renewal ACOs ..... 27



## ACO Signing Event ..... 29

Section 1: Review and Confirm Agreement Information ..... 29

Section 2: Review and Confirm Contact Information ..... 29

Section 3: Review and Certify Documents ..... 29

Section 4: Electronically Sign Documents ..... 29

Section 5: CMS Countersigns the ACO Signing Event Documents ..... 29



## Appendices ..... 30

Appendix A: Financial Description of Models ..... 30

Appendix B: Phase 1 Checklist ..... 35

Appendix C: Phase 2 Checklist ..... 37

Appendix D: Key Terminology ..... 39

Appendix E: Acronyms ..... 41

Appendix F: Participation Options ..... 42





# Overview

## INTRODUCTION

The Medicare Shared Savings Program (Shared Savings Program) promotes accountability for a patient population, improves the coordination of items and services for Medicare fee-for-service (FFS) beneficiaries, and encourages investment in high-quality and efficient services.

The Shared Savings Program offers providers and suppliers an opportunity to create or join an Accountable Care Organization (ACO). ACOs are groups of doctors, hospitals, and other health care professionals that work together to give patients high-quality, coordinated service and health care, improve health outcomes, and manage costs. ACOs agree to be held accountable for the quality, cost, and experience of care of an assigned Medicare FFS beneficiary population.

Under the Shared Savings Program, providers and suppliers that participate in an ACO continue to receive traditional Medicare FFS payments under Parts A and B. When an ACO succeeds in both delivering high-quality care and spending health care dollars more wisely, the ACO may be eligible to share in the savings it achieves for the Medicare program, or some instances may owe losses if it increases cost. The Shared Savings Program has different participation options (tracks) that allow ACOs to select an arrangement that makes the most sense for their organization.

The Centers for Medicare & Medicaid Services (CMS) accepts applications for ACOs to participate in the Shared Savings Program annually. Within the application, eligible ACOs will have the opportunity to indicate interest and, if found eligible, receive advance investment payments. An ACO may also separately apply to use the Skilled Nursing Facility (SNF) 3-Day Rule Waiver or to establish and operate a Beneficiary Incentive Program (BIP).

## HOW TO USE THIS RESOURCE

This *Application Reference Manual* provides guidance to help ACOs complete the Shared Savings Program Application. Sample applications are available on the [Application Types & Timeline webpage](#) as an additional resource to help ACOs gather and prepare necessary information. For more detailed information, review the additional resources and guidance available in the [Application Toolkit](#). In addition to this manual, please refer to the Shared Savings Program's regulations at [42 CFR § 425](#) and discussions in the previous rulemaking of the program requirements, including in the [Shared Savings Program Calendar Year \(CY\) 2024 Physicians Fee Schedule \(PFS\) Final Rule \(November 2023\)](#).

ACOs making changes to their program participation within their current agreement period should not use this document and instead refer to the *Managing Program Participation Guidance and Key Change Request Actions and Deadlines*.

This document is designed to allow users to identify important action items and expectations, including which materials to submit for each submission deadline. A list of key terminology can be found in [Appendix D](#). The following symbols highlight important information throughout this document about resources, tips, and checklists.





**Published Resource Available!** This icon appears throughout the manual when an existing published resource is available for further guidance.



**Tips for Success...** Reference these callouts for best practices and helpful reminders.



**Checklist:** This callout identifies when a checklist is available. ACOs may find it helpful to print these and check steps off as they complete the application.





# Understanding the Shared Savings Program

## ACO COHORTS

It is important for ACOs to know which cohort they fall into, because each cohort may have slightly different application requirements and options available to them during the annual application and change request cycle.

### CURRENTLY PARTICIPATING ACO

An ACO currently participating in the Shared Savings Program that is not submitting a renewal or early renewal Shared Savings Program Application for the upcoming performance year. ACOs making changes to their program participation within their current agreement period should refer to the [Managing Program Participation Guidance](#) and [Key Change Request Cycle Actions and Deadlines](#).

### INITIAL APPLICANT ACO

An ACO that is applying to participate in the Shared Savings Program that is not considered to have previously participated in the Shared Savings Program.

### RE-ENTERING APPLICANT ACO

An ACO that either previously participated in the Shared Savings Program and is applying to participate in the Shared Savings Program after a break in participation, or that CMS determines to be re-entering because greater than 50 percent of their ACO participants have prior participation in the same Shared Savings Program ACO in any of the five most recent past performance years.

### RENEWAL APPLICANT ACO

An ACO currently participating in the Shared Savings Program that is in the final performance year of its most recent ACO Participation Agreement and is applying to renew its participation for a new agreement period starting on January 1<sup>st</sup> of the upcoming calendar year without a break in participation.

### EARLY RENEWAL APPLICANT ACO

An ACO currently participating in the Shared Savings Program that elects to voluntarily terminate its ACO Participation Agreement with an effective date of termination of December 31<sup>st</sup> of the current performance year and is applying to participate in a new agreement period starting on January 1<sup>st</sup> of the upcoming calendar year without a break in participation.



## Supplemental Applications

### BIP APPLICANT

An ACO applying to establish and operate a BIP. Available for ACOs applying to, or currently participating in, the Shared Savings Program under Levels C, D, or E of the BASIC track, or the ENHANCED track.

### SNF 3-DAY RULE WAIVER APPLICANT

An ACO applying for approval of a SNF 3-Day Rule Waiver. Available for ACOs applying to, or currently participating in, the Shared Savings Program under Levels C, D, or E of the BASIC track, or the ENHANCED track.

## PARTICIPATION OPTIONS AND SHARED SAVINGS PROGRAM TRACKS

Applicants apply to participate in the Shared Savings Program in either the BASIC track or the ENHANCED track. The BASIC track includes a glide path, for eligible ACOs, which begins under a one-sided model and incrementally phases in increasing levels of performance-based risk over the course of the ACO's participation in the Shared Savings Program.

The eligibility criteria for the BASIC track—including the glide path—and the ENHANCED track recognize differences in the experience of the ACO and its ACO participants with performance-based risk Medicare ACO initiatives. CMS determines an ACO's participation options based on whether applicants are experienced or inexperienced with performance-based risk Medicare ACO initiatives.

## MINIMUM ASSIGNED BENEFICIARIES

Prior to the start of each agreement period, ACOs will select which methodology CMS uses to determine the population of beneficiaries for which an ACO is accountable: prospective assignment methodology or preliminary prospective assignment with retrospective reconciliation methodology.

ACOs must have at least 5,000 assigned beneficiaries in each of the three benchmark years (BYs) to be eligible to participate in the Shared Savings Program. Throughout the application cycle, CMS provides ACOs with assigned beneficiary estimates for the benchmark years and the upcoming performance year via the ACO Management System (ACO-MS). This information will be provided for each ACO participant as the ACO adds proposed ACO participants to the ACO Participant List. All assignment information should be considered an estimate that is subject to change.



**Tip:** ACOs with fewer than 5,000 beneficiaries in any of the three benchmark years at the end of Phase 1 will not proceed to Phase 2 of the application. ACOs must continue to meet this requirement throughout each phase of the application to be eligible to participate in the Shared Savings Program.



**Published Resource Available!** For additional information about assigned beneficiary estimates, refer to the [Beneficiary Assignment Estimates in ACO-MS](#) tip sheet located on the Application Toolkit webpage.



## COMMON ACO STRUCTURE

Whether the ACO is composed of one or multiple ACO participants has important implications for the ACO's structure and program requirements. A few of these implications are described below.

### TRADITIONAL ACO

- One or multiple ACO participants join to form the ACO.
- The ACO participants' Taxpayer Identification Number (TIN) is different than the ACO's TIN.
- The ACO is a separate legal entity from the ACO participant(s).

### SINGLE TIN ACO

- The ACO comprises one ACO participant.
- The ACO and the ACO participant are the same legal entity and TIN.
- Under this structure, you will need to contact the Shared Savings Program if you want to modify the ACO Participant List in the future.



#### Published Resource Available!

- [Initial Sample Application](#)
- [Renewal and Early Renewal Sample Application](#)





## Phase 1 of the Application

Phase 1 of the Shared Savings Program Application requires the ACO to make selections and submissions to determine their eligibility to participate in the Shared Savings Program. All application activities are completed in [ACO-MS](#). CMS does not accept paper applications.

### COMPLETE ACO-MS REGISTRATION

All ACOs must complete ACO-MS registration before beginning the application process. If the ACO does not register and submit the application before the deadline, it cannot apply to the Shared Savings Program for the upcoming performance year.

Initial and Re-entering Applicants	Renewal and Early Renewal Applicants
<ul style="list-style-type: none"> <li>ACO-MS registration is how the ACO gains access to ACO-MS. For additional information, refer to the <a href="#">How to Complete ACO-MS Registration</a> tip sheet.</li> <li>ACOs must submit ACO legal entity information along with ACO Contact information.</li> <li>ACOs will receive an ACO ID when registration is completed.</li> <li>ACO contacts must create individual user accounts.</li> </ul>	<ul style="list-style-type: none"> <li>Currently participating ACOs with an agreement period end date of the current calendar year can navigate to the My ACOs tab and Agreement Details subtab in ACO-MS and register as a renewal applicant.</li> <li>Other currently participating ACOs can navigate to the My ACOs tab and Agreement Details subtab in ACO-MS and register as an early renewal applicant.</li> <li>Registering as an early Renewal Applicant will end the current agreement period at the end of the current performance year and start a new agreement period with the next performance year.</li> <li>ACOs can withdraw their early renewal application and remain in their current agreement period prior to Final Application Dispositions</li> </ul>



**Published Resource Available!** Review the resources below for step-by-step information on creating an ACO-MS account.

- [How to Manage ACO-MS User Access & Contents](#)
- [How to Complete ACO-MS Registration](#)



**Tip:** Set periodic reminders to regularly review the ACO's contacts. The ACO's contacts will receive information throughout the application process so it is important that the contact information is up to date.

## SECTION 1: ACO INFORMATION

After ACO-MS Registration has been completed, the application task will immediately be available for the ACO to begin. In the first section of the application, ACOs review ACO legal entity information. This information should match the information on the ACO's entity formation documentation (e.g., Certificate of Incorporation) and any additional documentation submitted with the application.

Initial and Re-entering Applicants	Renewal and Early Renewal Applicants
<ul style="list-style-type: none"> <li>The information in this section of ACO-MS has been pre-populated from the information entered by the ACO during registration.</li> <li>Information in Section 1 will not be editable after initial submission of the application.</li> </ul>	<ul style="list-style-type: none"> <li>The information in this section has been pre-populated from the ACO information in ACO-MS. It is not editable as part of the application.</li> </ul>

## SECTION 2: PROGRAM PARTICIPATION

An ACO's participation options refer to the required selections that an ACO must make when initially applying to join or to renew its participation in the Shared Savings Program.

### Track Selection

The primary determining factor for how an ACO participates in the program is the ACO's track selection. ACOs participate in the Shared Savings Program in either the BASIC track or the ENHANCED track. The BASIC track includes a glide path that begins under a one-sided model in Level A or B (an ACO may earn shared savings but is not liable for any shared losses) and incrementally phases in increasing levels of performance-based risk in Levels C, D, and E (an ACO may earn shared savings and is also liable for any shared losses) over the course of the ACO's participation. The ENHANCED track is a two-sided model under which an ACO may earn shared savings but is also liable for any shared losses.

All ACOs can elect to participate in the ENHANCED track or in Level E of the BASIC track. Eligibility for the other levels of the BASIC track is determined by CMS.

Applicant ACOs are required to make a track selection when submitting the application. However, for all applicant types, after reviewing the ACO Participant List submitted by the ACO, CMS may determine that the ACO is not eligible for the BASIC Level selected, in which case the ACO will need to adjust its BASIC Level selection in order for its application to be approved. CMS determines an applicant ACO's track eligibility based on the ACO's current or prior participation history (if any) and whether the ACO is a re-entering ACO, experienced or inexperienced with risk, and a high or low revenue ACO.

Initial and Re-entering Applicants	Renewal and Early Renewal Applicants
<ul style="list-style-type: none"> <li>The ACO will have the option to select any level of the BASIC track or the ENHANCED Track.</li> <li>ACOs can change their track selection until the Phase 1 Request for Information-2 (RFI-2) deadline in accordance with their eligibility.</li> </ul>	<ul style="list-style-type: none"> <li>Track and Level options available will be determined by the ACO's participation history. Only eligible options will be available for selection.</li> <li>ACOs can change their track selection until the Phase 1 RFI-2 deadline in accordance with their eligibility.</li> </ul>

## Track Eligibility

An ACO inexperienced with performance-based risk Medicare ACO initiatives is an ACO that CMS determines meets all of the following requirements:

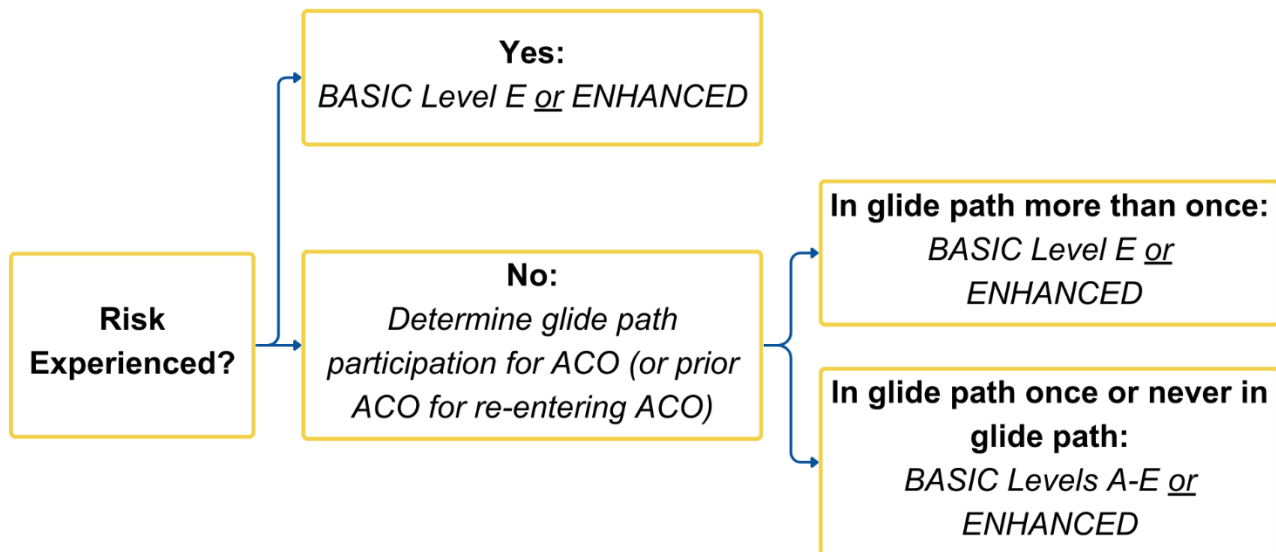
- The ACO is a legal entity that has not participated in any performance-based risk Medicare ACO initiative.
- Less than 40 percent of the ACO's ACO participants participated in a performance-based risk Medicare ACO initiative.

An ACO that is inexperienced with performance-based risk Medicare ACO initiatives may participate under the BASIC track's glide path for a maximum of two agreement periods ([42 CFR 425.600\(g\)\(1\)\(i\)](#)). An ACO that enters an agreement under the BASIC track's glide path at either Level A or Level B is deemed to have completed one agreement under the BASIC track's glide path, even if the ACO does not complete the agreement period ([42 CFR 425.600\(g\)\(1\)\(ii\)](#)). Examples of an ACO starting, but not completing, an agreement on the glide path include (but are not limited to):

- An ACO that participates in Level A or in Levels A and B before electing to submit an early renewal application; and
- A re-entering ACO for which the prior ACO previously participated under Level A and/or Level B.

The diagram below illustrates how CMS determines an applicant ACO's track eligibility based on the experienced with performance-based risk determination and the number of agreement periods under the BASIC track's glide path in which the ACO has previously participated.

### Track and Level Eligibility Determination: Applicant ACOs



For additional information, refer to [Appendix E: Participation Options](#).



**Tip:** If the ACO is interested in receiving advance investment payments, the ACO must select BASIC Level A.

## Agreement Period Eligibility Determination

The agreement period an ACO is entering has implications for how the below program requirements that phase in over multiple agreement periods are applied.

CMS will make the determination of what agreement period the ACO is entering, and this information will be provided during Phase 1 Request for Information (RFI) Periods through the Application Cycle Subtab and the *Participation Options Report*. An ACO will be determined to be re-entering if it either previously participated in the Shared Savings Program and is applying to participate in the Shared Savings Program after a break in participation, or greater than 50 percent of their ACO participants have prior participation in the same Shared Savings Program ACO in any of the five most recent past performance years.

- The quality performance standard as described in [42 CFR § 425.512\(a\)](#).
- The weight used to calculate the regional adjustment to the ACO's historical benchmark as described in [42 CFR § 425.601\(f\)](#).
- The use of equal weights to weight each benchmark year as specified in [42 CFR § 425.601\(e\)](#).
- Establishing, adjusting, and updating the benchmark as specified in [42 CFR § 425.652](#).
- Calculating the regional adjustment to the historical benchmark as specified in [42 CFR § 425.656](#).
- Calculating the prior savings adjustment to the historical benchmark as specified in [42 CFR § 425.658](#).

For additional information about how cohort types enter into their respective agreement periods, refer to [42 CFR § 425.200](#).

### Future Shared Savings Program Participation Options

An ACO that is inexperienced with performance-based risk Medicare ACO initiatives may participate under the BASIC track's glide path for a maximum of two agreement periods. If an ACO wishes to do so, an eligible ACO that enters the BASIC track's glide path at Level A must subsequently elect to remain in Level A for all subsequent performance years of their first agreement period under a one-sided level within the BASIC track.

Any ACO, regardless of type or experience level, may elect to progress more quickly along the BASIC track glide path or to apply to enter a new agreement period under the ENHANCED track at any time.

The ENHANCED track is optional. ACOs currently participating in the ENHANCED track that wish to participate in Level E of the BASIC track should apply for a new agreement period.

## Minimum Savings Rate

To qualify for shared savings, ACOs must meet or exceed their Minimum Savings Rate (MSR), meet the quality performance standard, and maintain their eligibility to participate in the Shared Savings Program.

For ACOs applying under Levels A or B of the BASIC track, CMS uses a sliding scale, based on the number of beneficiaries assigned to the ACO, to calculate the MSR for the ACO. For more information, refer to [Appendix A: Financial Description of Models](#).

## Minimum Loss Rate

To be liable for shared losses, ACOs must meet or exceed their Minimum Loss Rate (MLR). ACOs that select a higher MSR/MLR have the protection of having to meet a higher threshold before being liable for losses; however, they will also have a higher threshold to meet before being eligible for shared savings. ACOs that

select a lower MSR/MLR will have less protection against liability for losses but may benefit from a lower threshold for shared savings.

## Beneficiary Assignment Methodology Selection and Assignment Estimates

ACOs will select which assignment methodology CMS uses to determine the population of beneficiaries for which an ACO is accountable: prospective assignment methodology or preliminary prospective assignment with retrospective reconciliation methodology.

Beneficiary assignment contributes to key program operations, such as calculating the ACO's financial benchmark, assessing the ACO's financial performance after the close of each performance year, and determining the ACO's sample of beneficiaries for quality reporting.

## Beneficiary Assignment Methodology Types

### Prospective Assignment Methodology

Under prospective assignment, claims-based beneficiary assignment is determined prospectively at the beginning of each benchmark and performance year based on the beneficiary's use of primary care services in the most recent 12 months for which data are available.

*Beneficiaries are assigned to an ACO based on services occurring **prior** to the performance year.*

### Preliminary Prospective Assignment with Retrospective Reconciliation Methodology

Near the start of the performance year, ACOs receive an assignment list that includes beneficiaries preliminarily prospectively assigned via claims-based assignment based on the most recent 12 months of data. This differs from prospective assignment, as assignment under this methodology is updated quarterly and ultimately determined after the end of the performance year.

*Beneficiaries are assigned to an ACO based on services **during** the performance year.*

The ACO may change its beneficiary assignment methodology prior to the start of each performance year (during the application and change request cycle).

## Beneficiary Assignment Estimates

Throughout the application cycle, CMS provides ACOs with assigned beneficiary estimates for the benchmark years and the upcoming performance year via ACO-MS. This information will be provided for each ACO participant as the ACO submits change requests to add the ACO participant to the ACO Participant List. For more information, review the [Beneficiary Assignment Estimates in ACO-MS](#) tip sheet.

The assignment estimates made available in ACO-MS are at the ACO participant TIN level.

- ACOs can see how each of the proposed ACO participants impacts the ACO's overall assignment estimate.
- ACOs receive assignment estimates reflecting both their selected methodology and the alternative methodology.

**The approach used to produce the assignment estimates will generally overestimate an ACO's assigned beneficiary population.** This is especially true for ACOs that select the preliminary prospective



assignment with retrospective reconciliation methodology. The overestimation occurs because there are limitations to assignment estimates that do not allow CMS to reflect all the beneficiary eligibility and exclusion criteria that are incorporated into the assignment methodology used for operational purposes.

An ACO's assigned beneficiary population can be affected by several factors, including:

- Changes to the ACO's Participant List or selected assignment methodology.
- Changes to other ACOs' Participant Lists or selected assignment methodology.



**Tip:** ACOs are strongly encouraged to monitor the estimated number of assigned beneficiaries, especially if the estimate is close to 5,000.

#### Published Resource Available!



- *Shared Savings and Losses and Assignment Methodology Specifications and Quality Performance Standard Specifications*, located on the [Program Guidance & Specifications webpage](#).
- [Beneficiary Assignment Estimates in ACO-MS](#) tip sheet.

## ACO Participant List

The ACO must submit ACO participants that have agreed to form or partner with the ACO and certify that they are accountable for the quality, cost, and overall care of the ACO's beneficiaries, as well as compliant with the requirements of [42 CFR § 425.116\(a\)](#).

Initial and Re-entering Applicants	Renewal and Early Renewal Applicants
<ul style="list-style-type: none"> <li>• Must submit an executed ACO Participant Agreement with each ACO Participant change request.</li> </ul>	<ul style="list-style-type: none"> <li>• For any approved ACO participant the ACO wishes to carry over into a new agreement period, the ACO is <b>not required</b> to submit a newly executed ACO Participant Agreement provided the current agreement meets the requirements under 42 CFR § 425.116.</li> <li>• Must submit an executed ACO Participant Agreement with each new ACO Participant change request.</li> </ul>

An ACO Participant List identifies all of an ACO's participants by their Medicare-enrolled TINs. During Phase 1 of the application submission period, an ACO will create its ACO Participant List.

The ACO Participant List is used to:

- Screen ACO participants.
- Generate the ACO Provider/Supplier List.
- Determine which Medicare FFS beneficiaries will be assigned to an ACO.
- Establish the historical benchmark.
- Perform financial calculations.
- Coordinate among CMS quality reporting initiatives.

**Any ACO participant that bills Medicare for primary care services used in assignment must be exclusive to a single Shared Savings Program ACO.** During a performance year, a Medicare-enrolled TIN can only participate in one Medicare shared savings initiative, or an overlap would be identified, and CMS

would require an ACO to take action to address the overlap. For additional information and guidance, please refer to below resource: *ACO Participant List and Participation Agreement Guidance*.

After change requests are submitted, the information for each individual ACO participant—as well as an estimate of the number of beneficiaries assigned to the ACO as a whole—will be available via the ACO Participant List subtab of the My ACOs tab in ACO-MS. The ACO-level assignment estimates are based on the latest ACO Participant List available. Therefore, the estimates may change depending on the submission and/or withdrawal of ACO participant change requests—and, for renewing and early renewal applicants, the deletion of ACO participants. The estimates will also be available in the *Participation Options Report* that is issued with each RFI.



#### Published Resource Available!

- [ACO Participant list and Participant Agreement Guidance](#)
- [Adding ACO Participants & SNF Affiliates in ACO-MS](#) tip sheet



**Tip:** If submitting TINs that have merged with or been acquired by another TIN, you will need to provide the appropriate supporting documentation per [42 CFR § 425.204\(g\)](#).



**Tip:** Each year, within its agreement period, the ACO may submit change requests in ACO-MS to add new ACO participants to their ACO Participant List, effective for the next performance year.

## SNF 3-Day Rule Waiver

If the ACO is applying to participate or currently participating in a two-sided model in the Shared Savings Program (Levels C, D, or E of the BASIC track or the ENHANCED track), they are eligible to apply for the SNF 3-day Rule Waiver. ACOs applying to or participating in a one-sided model (Levels A and B) of the BASIC track are not eligible to apply for the SNF 3-Day Rule Waiver until the application cycle preceding their entry into a two-sided model.

ACOs submit their SNF 3-Day Rule Waiver application, all proposed SNF affiliates, and all executed agreements during Phase 1 of the application process. Per [42 CFR § 425.612\(b\)\(3\)\(iii\)](#), an ACO must have at least one approved SNF affiliate to obtain an approved SNF 3-Day Rule Waiver.

Initial and Re-entering Applicants	Renewal and Early Renewal Applicants
<ul style="list-style-type: none"> <li>• Must submit executed SNF Affiliate Agreements with each SNF affiliate change request.</li> </ul>	<ul style="list-style-type: none"> <li>• For any approved SNF affiliates the ACO wishes to carry over into a new agreement period, the ACO is <b>not required</b> to submit a newly executed SNF Affiliate Agreement provided the current agreement meets the requirements under <a href="#">42 CFR § 425.116</a>.</li> <li>• Must submit executed SNF Affiliate Agreements with each SNF affiliate change request.</li> </ul>





### Published Resource Available!

- [SNF 3-Day Rule Waiver Guidance](#)
- [Adding ACO Participants & SNF Affiliates in ACO-MS](#) tip sheet

## Repayment Mechanism

Per [42 CFR § 425.204\(f\)](#), if an ACO will be participating in Level C, D, or E of the BASIC track or the ENHANCED track, it must demonstrate it has established an adequate repayment mechanism to provide CMS assurance of its ability to repay shared losses for which it may be liable upon reconciliation for each performance year under which it accepts performance-based risk.

The ACO should submit draft repayment mechanism documentation during the initial submission period of the application process. CMS reviews the draft repayment mechanism and provides feedback necessary to correct any deficiencies prior to finalization.

Initial and Re-entering Applicants	Renewal and Early Renewal Applicants
<ul style="list-style-type: none"> <li>• Must submit an adequate repayment mechanism.</li> </ul>	<ul style="list-style-type: none"> <li>• The ACO is permitted to use its existing repayment mechanism to establish its ability to repay any shared losses incurred for performance years in the new agreement period (refer to 42 CFR § 425.204(f)(3)(iv)-(v)). Amendment(s) to modify the existing repayment mechanism's duration and amount (if applicable) should be uploaded in lieu of a new repayment mechanism if selecting this option.</li> <li>• The ACO can also submit a new repayment mechanism for review.</li> </ul>



### Published Resource Available!

- [Repayment Mechanism Arrangements Guidance](#)



**Tip:** In order to better assist ACOs in the creation of new repayment mechanism arrangements, an “RM Generator” has been created within ACO-MS. The generator will allow ACOs to input the necessary data to create a draft repayment mechanism for review with their financial institution prior to submitting the draft for CMS review.

## Banking Information

Applicants must provide their banking information to CMS. In order to receive any earned shared savings payments or advance investment payments for participation in the Shared Savings Program, ACOs must upload a completed Electronic Funds Transfer (EFT) Authorization Agreement ([Form CMS-588](#)), cover sheet, and supporting financial documentation via ACO-MS.

Initial and Re-entering Applicants	Renewal and Early Renewal Applicants
<ul style="list-style-type: none"> <li>Must submit all required documentation.</li> </ul>	<ul style="list-style-type: none"> <li>Only required to submit all documentation if changes are made to the Legal Business Name (LBN)/Legal Entity Name (LEN), TIN, Financial institution information, Authorized/Delegated Official, Contact person, or address.</li> </ul>

#### Published Resource Available!



- [ACO Banking Form Instructions](#)
- [Form CMS-588 Cover Sheet](#)
- [CMS-Form 588 EFT](#)



**Tip:** Please download the current EFT form and cover sheet from ACO-MS and complete the required fields. ACOs will not be allowed to move forward with the application if the EFT, cover sheet, and supporting financial documentation are not uploaded.

## SECTION 3: CERTIFY THE APPLICATION

The final section of Phase 1 requires that ACOs both certify and submit the application for CMS review. This step is crucial and cannot be skipped. Failure to complete this section will prevent the application from moving forward.



**Tip:** When the application is certified and submitted, the Dashboard will indicate 100 percent completion.



**Checklist:** Find Phase 1 Checklist in [Appendix B](#).



# Respond to Requests for Information

There are two RFI submission periods during Phase 1. RFIs give ACOs the opportunity to correct deficiencies and/or make updates or modifications to the ACO application or change request(s). RFIs are issued in ACO-MS, and ACOs must respond to RFIs in ACO-MS.

Additionally, participation options eligibility information is available through the Application Cycle Subtab and the *Participation Options Report*.

## RFI TYPES AND AVAILABLE ACTIONS

There are several possible RFI types during Phase 1. These will appear as separate tasks in the ACO dashboard:

- Beneficiary assignment estimate falling under a total of 5,000 beneficiaries.
- Track level selection ineligibility.
- Change requests for ACO participants.
- SNF 3-Day Rule Waiver application and change requests for SNF affiliates.
- Form CMS-588 EFT Authorization Agreements.
- Repayment Mechanism (RM).

The ACO can also modify the Phase 1 Section 2 data elements as needed.

### RFI-1 Important Information

- Last opportunity to add an ACO participant or SNF affiliate.
- Last opportunity to make the election to add a SNF 3-Day Rule Waiver.
- Estimated repayment mechanism amounts are released, but this amount is subject to change and should not be used to finalize repayment mechanism documentation.
- Initial applicants can review preliminary AIP eligibility and quarterly payment estimates.

### RFI-2 Important Information

- Last opportunity to withdraw or delete an ACO participant or withdraw a SNF affiliate change request.
- Final repayment mechanism amounts are released.
- Initial applicants can review **updated** preliminary AIP eligibility and quarterly payment estimates.



**Tip:** Making changes to the ACO Participant List during RFI submission periods can affect the participation options for which ACOs are eligible.



#### Published Resource Available!

- [Requests for Information in ACO-MS](#) tip sheet

## APPLICATION CYCLE SUBTAB AND PARTICIPATION OPTIONS REPORT

CMS provides all ACOs with information applicable for the upcoming performance year, with the release of each Phase 1 RFI in [ACO-MS](#). ACOs should review this report to understand eligibility to participate in the program. This report is also designed to help ACOs evaluate future participation options.

The Application Cycle subtab in ACO-MS includes the information from the ACO Summary tab of the *Participation Options Report*. It also reflects a summary of ACO selections made during each submission period of the application and change request cycle.

Additional details about the information provided in the Application Cycle subtab referenced above appear in the *Participation Options Report* available in the Reporting tab. Prior values in the *Participation Options Report* are overwritten when CMS issues a new version of the report. The RFI-2 data will overwrite the RFI-1 data and the Phase 1 Dispositions data will overwrite the RFI-2 data.

The *Participation Options Report Data Dictionary*, located in both the Application Cycle subtab (via the information bubble) and the Program Resources section of the Knowledge Library tab in ACO-MS, provides detailed descriptions of the data provided in each tab of the report.

The *Participation Options Report* has six tabs:

### 50% ACO COMPOSITION

Provides ACOs with information on the Shared Savings Program participation history of the ACO participants on their latest ACO Participant List for the upcoming performance year.

### 40% RISK CHECK

Provides ACOs with information on whether the ACO meets the definition of experienced or inexperienced with performance-based risk Medicare ACO initiatives (as those terms are defined at [42 CFR § 425.20](#)) based on the latest version of the proposed ACO Participant List for the upcoming performance year.

### REVENUE-REPAYMENT MECHANISM

Provides information about estimated and final repayment mechanism amounts.

### BENEFICIARY ASSIGNMENT ESTIMATE

Provides ACOs with assigned beneficiary estimates for the benchmark years (BYs) and the upcoming performance year at the ACO level and the individual ACO participant TIN level. In the RFI versions of the report, rows for proposed and currently participating ACO participant TINs and rows at the ACO level, which summarizes beneficiary-level estimates across all TINs, will be displayed. Values in the ACO-level rows reflect ACO participants after accounting for all deficiencies (deficiency information is provided for all ACO participants). More information can be found in the Data Dictionary, found within the Application cycle subtab.

## AIP ESTIMATE

Provides ACO participant TIN-level and ACO-level information related to AIP to all initial applicants, inclusive of quarterly advance investment payment estimates.

## ACO SUMMARY

Combines information presented in the other tabs, inclusive of an AIP eligibility column for initial applicants, to summarize an ACO's participation options and program eligibility.



**Tip:** ACOs are strongly encouraged to monitor the estimated number of assigned beneficiaries with each RFI, especially if any of the estimates are close to 5,000 (based on any of the 3 benchmark years for either assignment methodology).

ACOs with fewer than 6,000 beneficiaries are encouraged to consider adding ACO participants to ensure that they exceed the 5,000-beneficiary minimum when CMS makes the eligibility determination at the end of Phase 1.



### Published Resource Available!

- [How to Use the Application Cycle Subtab and Participation Options Report](#) tip sheet.



## Phase 2 of the Application

Phase 2 of the Shared Savings Program application has four components: ACO information, program participation, leadership and governance, and certifications. The following sections provide instructions on how an ACO may complete each component.

### SECTION 1: ACO INFORMATION

ACOs will complete additional information about the ACO, such as date of formation, legal entity type, and tax status.

Initial and Re-entering Applicants	Renewal and Early Renewal Applicants
<ul style="list-style-type: none"> <li>Must provide: <ul style="list-style-type: none"> <li>Date of formation;</li> <li>Legal Entity Type (i.e., sole proprietorship, partnership, publicly traded corporation, privately held corporation, limited liability company, or other);</li> <li>Tax status (i.e., for-profit or not-for-profit).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Review information for accuracy and make updates as applicable.</li> <li>ACOs may update the following as applicable: <ul style="list-style-type: none"> <li>Date of formation</li> <li>Legal Entity Type</li> </ul> </li> </ul>

#### Date of Formation

ACOs will also indicate if the entity is considered “newly formed.” ACOs that have signed or jointly negotiated any contracts with private payers after March 23, 2010, must agree to permit CMS to share a copy of this application with the Antitrust Agencies. An ACO is not newly formed if it comprises solely providers and suppliers that signed or jointly negotiated contracts with private payers on or before March 23, 2010. If the ACO includes any providers or suppliers that were not part of the prior joint negotiation or joint contracting, it is newly formed.

#### History of Noncompliance

CMS will identify whether the ACO has a history of noncompliance with the requirements of the Shared Savings Program.

This includes, but is not limited to:

- Pattern of failure to meet the quality performance standard.
- Failed to repay shared losses in a timely manner.
- Generated losses outside its negative corridor for 2 or more years.
- Voluntarily or involuntarily terminated from the Shared Savings Program.

If CMS identified the ACO as having a history of noncompliance, the ACO is required to submit a narrative that demonstrates that the ACO has corrected the deficiencies that caused any noncompliance and how it will remain in compliance with the terms of the new participation agreement as specified in [42 CFR § 425.224](#).



## Public Reporting Webpage

As a part of their participation in the Shared Savings Program, ACOs are required to create and maintain a designated webpage to post organizational and programmatic information about the ACO, as specified in [42 CFR § 425.308](#).

Initial and Re-entering Applicants	Renewal and Early Renewal Applicants
<ul style="list-style-type: none"> <li>Must provide the public reporting webpage URL address.</li> </ul>	<ul style="list-style-type: none"> <li>ACOs can review but are not able to edit public reporting webpage URL address.</li> </ul>

## Organization Contacts

ACOs must submit contact information for all required contacts in ACO-MS. Keep in mind the following guidelines:

- An individual can serve as more than one ACO contact. However, CMS recommends that applicants diversify their contacts by assigning a different person to each role.
- Applicants may submit consultant and management company contact information; however, they may not be the only contacts for an ACO. Individual(s) directly from the ACO must also be listed as ACO contacts.
- Update the Contacts subtab in ACO-MS with the appropriate contact information when there is a change in ACO contacts within the ACO (e.g., new personnel, departing personnel, changes in roles).

Initial & Re-entering applicants	Renewal and Early Renewal Applicants
<ul style="list-style-type: none"> <li>Must submit accurate contact information for all required and optional contacts.</li> </ul>	<ul style="list-style-type: none"> <li>Must update and confirm contact information for all roles.</li> </ul>



### Published Resource Available!

- [How to Manage ACO-MS User Access and Contacts](#) tip sheet

## SECTION 2: PROGRAM PARTICIPATION

### Advance Investment Payments (AIP)

AIP offers eligible ACOs advance shared savings payments, including an up-front payment of \$250,000 and two years of quarterly payments. Advance investment payments are intended to encourage low revenue ACOs that are inexperienced with risk to participate in the Shared Savings Program.

To be eligible to begin receiving advance investment payments, at the time of the Shared Savings Program applicable application cycle, an ACO must meet certain requirements as described in [42 CFR § 425.630\(b\)](#).

If the ACO is eligible to receive advance investment payments per 42 CFR § 425.630(b), the ACO will have the option to select yes and submit supplemental information. If the eligible ACO is not interested, select no and no additional information is required.



Eligible Initial Applicant only	Re-entering and Renewal Applicants
<ul style="list-style-type: none"> <li>Must submit supplemental information sufficient for CMS to determine whether the ACO is eligible to receive AIP.</li> </ul>	<ul style="list-style-type: none"> <li>Renewal or Re-entering ACOs are not eligible to receive AIP.</li> </ul>

#### Published Resource Available!



- [Advance Investment Payments Guidance](#)
- [Advance Investment Payments at a Glance](#)
- [Advance Investment Roles for Community Based Organizations Payments at a Glance](#)
- [How to Complete the AIP Supplemental Information and Spend Plan in ACO-MS](#) tip sheet
- [AIP Supplemental Information](#)

## Beneficiary Incentive Program

ACOs applying to participate in or currently participating in two-sided models (Levels C, D, or E of the BASIC track or the ENHANCED track) have the option to apply to establish and operate a BIP, to provide incentive payments to assigned beneficiaries who receive qualifying services. If the ACO intends to apply to establish and operate a BIP, the ACO must submit a BIP Application during Phase 2.



#### Published Resource Available!

- [Beneficiary Incentive Program Guidance](#)
- [BIP Application](#)

## SECTION 3: LEADERSHIP AND GOVERNANCE

All applicants provide information about the ACO's leadership. The description submitted in this section provides context about the ACO's ability to meet eligibility requirements, its structure, and its affiliations. Refer to the regulatory requirements at [42 CFR §§ 425.204\(b\)](#) and [425.204\(c\)\(1\)\(iii\)](#).

### Organizational Chart

Applicants must submit an organizational chart. The chart should clearly depict the flow of responsibility and reporting structure. The organizational chart should include the following roles, including names of individuals in these roles:

- Medical director/chief medical officer
- Compliance official or individual who is not legal counsel to the ACO and reports directly to the ACO's governing body
- ACO Executive
- Qualified health care professional responsible for the ACO's quality assurance and improvement program

Refer to the regulatory requirements at [42 CFR § 425.204\(c\)\(1\)\(iii\)](#), [42 CFR § 425.112\(a\)\(2\)](#), [42 CFR § 425.300](#), and [42 CFR § 425.108](#).



## Governing Body

ACOs must submit information about their governing body and confirm that specific governance procedures are in place. The ACO must establish a mechanism for shared governance among the ACO participants that formed the ACO. **ACO participants must represent at least 75 percent of the voting power for all voting members.**

ACOs must provide the following for each governing body member:

- Membership type
- Voting power
- ACO participant LBN

For more information about the governing body, refer to regulatory requirements at [42 CFR §§ 425.106\(a\) and \(b\)](#) and 425.204(c)(1)(iii).

ACO-MS will automatically calculate whether ACO participants hold 75 percent control over the ACO's governing body; non-voting governing body members are not included in the calculation.

If the 75 percent control is not met, applicants will not be able to submit the governing body information.

CMS does not require an ACO's governing body to include a representative from each ACO participant listed on its ACO Participant List. However, the program rules require an ACO to provide meaningful participation in the composition and control of the ACO's governing body for ACO participants and/or their designated representatives.

**The ACO must include at least one Medicare FFS beneficiary on its governing body.** Any Medicare FFS beneficiary on the governing body must be served by the ACO, cannot be an ACO provider or supplier, cannot have a conflict of interest with the ACO, and cannot have an immediate family member with a conflict of interest with the ACO. If an ACO does not include a Medicare FFS beneficiary on the governing body, the ACO must provide an explanation of why it seeks to differ from this requirement and how the ACO demonstrates meaningful representation of Medicare FFS beneficiaries in governance.

For more information, refer to regulatory requirements at [42 CFR § 425.106](#).

## SECTION 4: CERTIFICATIONS

In this section of the application, ACOs must certify that they agree to meet all applicable Shared Savings Program requirements in [42 CFR part 425](#), including but limited to the following:

- Legal entity ([42 CFR § 425.104](#))
- Shared governance ([42 CFR § 425.106](#))
- Leadership and management ([42 CFR § 425.108](#))
- Required processes and patient-centeredness criteria ([42 CFR § 425.112](#))
- Agreements with ACO participants and ACO providers/suppliers ([42 CFR §§ 425.116\(a\) and \(b\)](#))
- Content of the application ([42 CFR §§ 425.204\(a\), \(c\)\(1\), \(d\), and \(f\)](#))
- Compliance plan ([42 CFR § 425.300](#))

ACOs will also certify that they will request the minimum necessary data as a HIPAA-covered entity, as the business associate of the ACO's ACO participants and ACO providers/suppliers, or as an organized health care arrangement, in order to conduct health care operations per [45 CFR § 164.501](#). The minimum necessary data may include, but are not limited to, the data elements as defined in [42 CFR § 425 subpart H](#). If approved to participate in the Shared Savings Program, the ACO will be required to submit a Data Use Agreement (DUA) prior to receiving any data.



**Tip:** ACOs may request to receive beneficiary-identifiable part A, B, and/or D claims data, which CMS provides in Claim and Claim Line Feed (CCLF) files. For more information, refer to the [CCLF File Data Elements Resource](#).



**Checklist:** Find Phase 2 Checklist in [Appendix C](#).



## Responding to Phase 2 RFI

There will be one RFI response period during Phase 2. ACOs will have the opportunity to respond to feedback from CMS and make any necessary corrections to Phase 2 of their application. After the Phase 2 RFI, CMS will issue final application dispositions.

### RFI TYPES AND AVAILABLE ACTIONS

There are several possible RFI types during Phase 2. These will appear as separate tasks in the ACO Dashboard:

- Deficiencies for the ACO Phase 2 application data elements will appear within a single application task. These could include:
  - Incomplete Phase 2 application data elements
  - Non-compliance narrative response
  - Governing body exception request
- AIP supplemental information
- BIP application

The ACO can modify Phase 2 application data elements as needed.



**Tip:** The ACO cannot modify any information submitted within the Phase 1 application task, including the ACO Participant List and SNF Affiliate List.



#### Published Resource Available!

- [Requests for Information in ACO-MS](#) tip sheet



## Withdrawing an Application

Applicants that submit an application but do not intend to participate in the Shared Savings Program, AIP, SNF 3-Day Rule Waiver, and/or BIP can withdraw their application by following these steps:

- The ACO Executive or Authorized to Sign (primary or secondary) Contact logs into ACO-MS.
- The ACO Executive or Authorized to Sign (primary or secondary) locates the Application task on the Dashboard.
- The ACO Executive or Authorized to Sign (primary or secondary) Contact clicks the “Withdraw Application” button.
- Once the application has been withdrawn, a success message will display, and the application task status will change to “Withdrawn by ACO.”



**Tip:** ACOs can choose to withdraw their SNF or BIP applications or consideration for AIP without impacting their overall Shared Savings Program application.

**Once the application is withdrawn, the action is final.**

### SPECIAL CONSIDERATIONS FOR EARLY RENEWAL ACOS

Early renewal applicants can withdraw their application and return to their current agreement period. ACOs will be automatically returned to their current agreement period upon making this withdrawal until Final Application Dispositions have been released. However, there are varying impacts on an ACO's ACO Participant and SNF Affiliate Lists depending on when in the application cycle the application withdrawal is made. If an early renewal applicant withdraws their application and returns to their current agreement period, the following will apply to the upcoming performance year within the ACO's current agreement period for their ACO Participant and/or SNF Affiliate Lists.

	<b>ACO Participants and/or SNF Affiliates carried forward from current agreement period with Renewal Application</b>	<b>ACO Participants and/or SNF Affiliates not carried forward from current agreement period (Deleted) with Renewal Application</b>	<b>Additions to ACO Participant List and/or SNF Affiliate List submitted with Renewal Application</b>
Phase 1 Submission and RFI-1	<ul style="list-style-type: none"> <li>Change requests will be withdrawn and ACO Participants and/or SNF Affiliates will revert back to an approved status in the current agreement period.</li> </ul>	<ul style="list-style-type: none"> <li>ACO Participants and/or SNF Affiliates will remain in a deleted status.</li> <li>However, a new change request can be submitted to add ACO Participants or SNF Affiliates.</li> </ul>	<ul style="list-style-type: none"> <li>Change Requests to add ACO Participants and/or SNF Affiliates will remain in pending status unless withdrawn by ACO.</li> </ul>
RFI-2	<ul style="list-style-type: none"> <li>Change requests will be withdrawn and ACO Participants and/or SNF Affiliates will revert back to an approved status in the current agreement period</li> </ul>	<ul style="list-style-type: none"> <li>ACO Participants and/or SNF Affiliates will remain in a deleted status.</li> </ul>	<ul style="list-style-type: none"> <li>Change Requests to add ACO Participants and/or SNF Affiliates will remain in pending status unless withdrawn by ACO.</li> </ul>
After Phase 1 Dispositions through Final Application Dispositions	<ul style="list-style-type: none"> <li>ACO Participants or SNF Affiliates will retain the disposition made at Phase 1.</li> </ul>	<ul style="list-style-type: none"> <li>ACO Participants and/or SNF Affiliates will remain in a deleted status.</li> </ul>	<ul style="list-style-type: none"> <li>ACO Participants or SNF Affiliates will retain the disposition made at Phase 1.</li> </ul>

\*If an overlap had existed on the renewal change request, the ACO for which the TIN was previously approved will retain the ACO participant and the overlap will typically be resolved, however, other considerations may be given.





# ACO Signing Event

During the ACO Signing Event, ACOs review and confirm their organization's information (e.g., ACO legal entity name, ACO TIN, ACO business address), and contact information. ACOs must also review, certify, and electronically sign required documents. All ACO Signing Event activities are completed electronically in ACO-MS. Only the following contact types can perform the ACO Signing Event activities for the ACO:

- ACO Executive
- Authorized to Sign (primary and secondary)
- DUA Requestor

CMS will countersign certain required documents to accept an ACO's submission for participation in the Shared Savings Program, as applicable. CMS will notify ACOs via email and ACO-MS when the ACO Signing Event signature period begins and ends.

## SECTION 1: REVIEW AND CONFIRM AGREEMENT INFORMATION

During the ACO Signing Event, an ACO must review and confirm that its ACO information is accurate (e.g., legal entity name, TIN, address, etc.). An ACO can review this information at any time in ACO-MS on the My ACOs tab under the Agreement Details subtab.

## SECTION 2: REVIEW AND CONFIRM CONTACT INFORMATION

As part of the ACO Signing Event, ACOs should review all ACO personnel contact information in ACO-MS to make sure an individual is assigned to each required contact type, contact information for all individuals is up to date, and all contacts have active ACO-MS credentials and can log in to the system.



**Tip:** Be sure the ACOs authorized to sign contacts are available to sign during the annual ACO Signing Event.

## SECTION 3: REVIEW AND CERTIFY DOCUMENTS

All ACOs review, certify, and electronically sign documents related to their participation in the Shared Savings Program. ACOs approved for a SNF 3-Day Rule Waiver or BIP, will need to sign additional documentation.

## SECTION 4: ELECTRONICALLY SIGN DOCUMENTS

Authorized users for the ACO Signing Event (ACO Executive, Authorized to Sign (primary and secondary), and DUA Requestor) can review and sign documents in ACO-MS.

## SECTION 5: CMS COUNTERSIGNS THE ACO SIGNING EVENT DOCUMENTS

Once the signature period for ACOs to sign all required documents in ACO-MS ends, CMS will countersign certain required documents related to ACOs' participation in the Shared Savings Program. ACOs will receive an email notification once CMS countersigns their documents. This notification is the final step of the ACO Signing Event.







## Appendices

### APPENDIX A: FINANCIAL DESCRIPTION OF MODELS

#### COMPARISON OF BASIC TRACK AND ENHANCED TRACK CHARACTERISTICS

Characteristic	BASIC Track's Glide Path					ENHANCED Track (risk/reward)
	Level A & Level B (one-sided model)	Level C (risk/reward)	Level D (risk/reward)	Level E (risk/reward)		
<b>Shared Savings (once Minimum Savings Rate (MSR) met or exceeded; or for certain BASIC track ACOs, determined to be eligible to share in savings at a reduced rate under § 425.605(h)<sup>1,2</sup></b>	If MSR met or exceeded: 1 <sup>st</sup> dollar savings at a rate of 40% if the applicable quality performance standard established in § 425.512(a)(2) or § 425.512(a)(5)(i) is met; or 1 <sup>st</sup> dollar savings at a rate of 40% multiplied by the ACO's health equity adjusted quality performance	If MSR met or exceeded: 1 <sup>st</sup> dollar savings at a rate of 50% if the applicable quality performance standard established in § 425.512(a)(2) or § 425.512(a)(5)(i) is met; or 1 <sup>st</sup> dollar savings at a rate of 50% multiplied by the ACO's health equity adjusted quality	If MSR met or exceeded: 1 <sup>st</sup> dollar savings at a rate of 50% if the applicable quality performance standard established in § 425.512(a)(2) or § 425.512(a)(5)(i) is met; or 1 <sup>st</sup> dollar savings at a rate of 50% multiplied by the ACO's health equity adjusted quality	If MSR met or exceeded: 1 <sup>st</sup> dollar savings at a rate of 50% if the applicable quality performance standard established in § 425.512(a)(2) or § 425.512(a)(5)(i) is met; or 1 <sup>st</sup> dollar savings at a rate of 50% multiplied by the ACO's health equity adjusted quality	If MSR met or exceeded: 1 <sup>st</sup> dollar savings at a rate of 50% if the applicable quality performance standard established in § 425.512(a)(2) or § 425.512(a)(5)(i) is met; or 1 <sup>st</sup> dollar savings at a rate of 50% multiplied by the ACO's health equity adjusted quality	If MSR met or exceeded: 1 <sup>st</sup> dollar savings at a rate of 75% if the applicable quality performance standard established in § 425.512(a)(2) or § 425.512(a)(5)(i) is met; or 1 <sup>st</sup> dollar savings at a rate of 75% multiplied by the ACO's health equity adjusted quality

<sup>1</sup> In accordance with 42 CFR § 425.605(h), an ACO that meets the quality performance standard or the alternative quality performance standard under 42 CFR § 425.512 and otherwise maintains its eligibility to participate in the Shared Savings Program, will qualify for a shared savings payment, calculated using a sharing rate that is one-half the applicable percentage, if the following criteria are met: (i) the ACO has average per capita Medicare Parts A and B fee-for-service expenditures for the performance year below the updated benchmark determined under 42 CFR § 425.652; (ii) the ACO is a low revenue ACO as defined in 42 CFR § 425.20 as determined at the time of financial reconciliation for the performance year; (iii) the ACO has at least 5,000 assigned beneficiaries for the relevant performance year as determined at the time of financial reconciliation for the performance year; and (iv) the ACO is participating in an agreement period beginning on January 1, 2024, or in subsequent years.

<sup>2</sup> ACOs that fail to meet the quality performance standard or the alternative quality performance standard are ineligible to share in savings.



Characteristic	BASIC Track's Glide Path				
	Level A & Level B (one-sided model)	Level C (risk/reward)	Level D (risk/reward)	Level E (risk/reward)	ENHANCED Track (risk/reward)
	score if the ACO meets the alternative quality performance standard at § 425.512(a)(5)(ii). If MSR not met, eligible low revenue ACOs may share in 1 <sup>st</sup> dollar savings at one-half the applicable percentage described above. Not to exceed 10% of updated benchmark.	performance score if the ACO meets the alternative quality performance standard at § 425.512(a)(5)(ii). If MSR not met, eligible low revenue ACOs may share in 1 <sup>st</sup> dollar savings at one-half the applicable percentage described above. Not to exceed 10% of updated benchmark.	performance score if the ACO meets the alternative quality performance standard at § 425.512(a)(5)(ii). If MSR not met, eligible low revenue ACOs may share in 1 <sup>st</sup> dollar savings at one-half the applicable percentage described above. Not to exceed 10% of updated benchmark,	performance score if the ACO meets the alternative quality performance standard at § 425.512(a)(5)(ii). If MSR not met, eligible low revenue ACOs may share in 1 <sup>st</sup> dollar savings at one-half the applicable percentage described above. Not to exceed 10% of updated benchmark.	performance score if the ACO meets the alternative quality performance standard at § 425.512(a)(5)(ii). Not to exceed 20% of updated benchmark.
<b>Shared Losses (once Minimum Loss Rate (MLR) met or exceeded)</b>	N/A	1 <sup>st</sup> dollar losses at a rate of 30%, not to exceed 2% of ACO participant revenue capped at 1% of updated benchmark	1 <sup>st</sup> dollar losses at a rate of 30%, not to exceed 4% of ACO participant revenue capped at 2% of updated benchmark	1 <sup>st</sup> dollar losses at a rate of 30%, not to exceed 8% of ACO participant revenue capped at 4% of updated benchmark. The loss recoupment limit is the percentage of revenue specified in the revenue-based nominal amount standard under the Quality Payment Program (QPP) <sup>3</sup> capped at 1 percentage point higher than the	1 <sup>st</sup> dollar losses at a rate determined using a sliding scale based on ACO's health equity adjusted quality performance score, if the applicable quality performance standard established in § 425.512(a)(2) or § 425.512(a)(5)(i) or the alternative quality performance standard at § 425.512(a)(5)(ii) is met; with minimum shared loss rate of 40% and maximum of 75%. If the ACO fails to

<sup>3</sup> Refer to 42 CFR § 414.1415(c)(3)(i)(A).

Characteristic	BASIC Track's Glide Path				
	Level A & Level B (one-sided model)	Level C (risk/reward)	Level D (risk/reward)	Level E (risk/reward)	ENHANCED Track (risk/reward)
				expenditure-based nominal risk amount <sup>4</sup>	meet the applicable quality performance standard established in § 425.512 or the alternative quality performance standard, 1st dollar losses at a rate of 75%. Shared losses not to exceed 15% of updated benchmark.
<b>Annual choice of beneficiary assignment methodology?</b>	Yes	Yes	Yes	Yes	Yes
<b>Annual election to enter higher risk?</b>	Yes, but new, inexperienced ACOs may elect to remain at Level A for all subsequent performance years of their first BASIC track agreement period.	Yes	No; ACOs will automatically transition to Level E at the start of the next performance year	No; maximum level of risk/reward under the BASIC track; ACOs may participate indefinitely under Level E of the BASIC track	No; highest level of risk/reward under Shared Savings Program; participation in the ENHANCED track is optional

<sup>4</sup> Refer to 42 CFR § 414.1415(c)(3)(i)(B).

Characteristic	BASIC Track's Glide Path					ENHANCED Track (risk/reward)
	Level A & Level B (one-sided model)	Level C (risk/reward)	Level D (risk/reward)	Level E (risk/reward)		
<b>Participation Options for new eligible ACOs receiving Advance Investment Payments (AIP) (if other eligibility criteria are met)</b>	Yes, for performance year 1, the ACO must participate in Level A <sup>5</sup> . For performance year 2, the ACO may participate in Level A or Level B <sup>6</sup> .	Yes, but not until performance years 3 through 5 <sup>7</sup>	Yes, but not until performance years 3 through 5 <sup>8</sup>	Yes, but not until performance years 3 through 5 <sup>9</sup>		No
<b>Advanced Alternative Payment Model (APM) status under the QPP?</b>	No	No	No	Yes		Yes
<b>ACOs may establish an approved Beneficiary Incentive Program (BIP)?</b>	No	Yes	Yes	Yes		Yes
<b>Expanded Telehealth Services are available to ACOs electing prospective assignment methodology for PY 2020 and subsequent years?</b>	No	Yes	Yes	Yes		Yes

<sup>5</sup> Refer to 42 CFR 425.630(b)(3)(i)

<sup>6</sup> Refer to 42 CFR 425.630(b)(3)(ii)

<sup>7</sup> Refer to 42 CFR 425.630(b)(3)(iii)

<sup>8</sup> *Ibid.*

<sup>9</sup> *Ibid.*



Characteristic	BASIC Track's Glide Path					ENHANCED Track (risk/reward)
	Level A & Level B (one-sided model)	Level C (risk/reward)	Level D (risk/reward)	Level E (risk/reward)		
<b>ACOs may apply to use Skilled Nursing Facility (SNF) 3-Day Rule Waiver?</b>	No	Yes	Yes	Yes		Yes



## APPENDIX B: PHASE 1 CHECKLIST

### ACO Information

- Completed registration for the upcoming performance year application cycle.
- Invited and created/updated the necessary ACO-MS contacts to complete the application.

The ACO confirmed that the following is correct before application submission:

- Legal entity name (LEN)
- Trade name/doing business as (DBA) name
- Mailing address
- Taxpayer Identification Number (TIN)

### Program Participation Options

The ACO made a selection for the following according to eligibility and preference:

- Track (and level if applicable).
- MSR/MLR (If applying to a two-sided risk model).
- Beneficiary assignment methodology.

### ACO Participant List

The ACO has submitted:

- Change requests to add or renew each desired ACO Participant(s) ensuring that each bill through a Medicare-enrolled TIN that is not participating in more than one Medicare shared savings initiative during the performance year.
- ACO Participant Agreement attestation.

### SNF 3-Day Rule Waiver

If applying for a SNF 3-Day Rule Waiver, the ACO has submitted:

- The SNF 3-Day Rule Waiver application task.
- Change requests to add or renew each desired SNF affiliate(s) ensuring that each bill through a Medicare-enrolled TIN and are linked with the CCN provided within the change request.
- SNF Affiliate Agreement attestation.

### Repayment Mechanism

If applying for a two-sided risk model, the ACO has submitted:

- Draft Repayment Mechanism documentation in the form of either funds placed in escrow, line of credit as evidenced by a letter of credit, surety bond, or a combination of these arrangements.



## Banking Information

As an initial applicant or a renewal or early renewal applicant who needs to update banking, the ACO has submitted:

- [Form CMS-588 Cover Sheet](#).
- EFT Authorization Agreement ([Form CMS-588](#)).
- Supporting financial documentation.

## Certifications

The ACO has:

- Selected “I agree” to the application certification.
- Submitted the application for CMS review.





## APPENDIX C: PHASE 2 CHECKLIST

### **ACO Information**

The ACO has completed or reviewed the following information in ACO-MS:

- Date of formation
- Legal entity type (i.e., sole proprietorship, partnership, publicly traded corporation, privately held corporation, limited liability company, or other)
- Tax status (i.e., for-profit or not-for-profit)

### **Public Reporting Webpage**

- The ACO has provided the address of our public reporting webpage (initial applicants only).

### **Organization Contacts**

- The ACO has provided accurate contact information for all required contacts.
- The ACO has provided accurate contact information for all optional contacts, if included.

### **ACO Information**

- ACO date of formation matches entity formation documentation (e.g., Certificate of Incorporation).
- The ACO has provided the address of our public reporting webpage (initial applicants only).
- The ACO has added or updated information for the required contacts.

### **Advance Investment Payments**

If eligible and electing to participate in AIP, the ACO has submitted:

- The required supplemental information, inclusive of a spend plan.

### **Beneficiary Incentive Program**

If applying to establish and operate a BIP, the ACO submitted:

- BIP application task.

### **Organizational Chart**

- The ACO has submitted an organizational chart.

### **ACO Governing Body**

- ☐ The ACO's governing body includes at least one Medicare FFS beneficiary who is served by the ACO, is not an ACO provider/supplier, does not have a conflict of interest with the ACO, or has no immediate family members with a conflict of interest with the ACO.
- ☐ The ACO participants must hold at least 75 percent control of the ACO's governing body.



## Certifications

**\*CMS will not process your application if you do not complete this certification in ACO-MS. This page will appear at the end of your application. You certify your application when you select "I agree."**

- ☐ The ACO has read and understands certifications.
- ☐ The ACO certified their application.
- ☐ The ACO submitted their application.



## APPENDIX D: KEY TERMINOLOGY

This Appendix defines important terms to understand before beginning the application process.

Term	Definition
<b>ACO Participant</b>	Entity identified by a Medicare-enrolled TIN through which one or more ACO providers/suppliers bill Medicare.
<b>ACO Participant Agreement</b>	The written agreement between the ACO and ACO participant in which the ACO participant agrees to participate in, and comply with, the requirements of the Shared Savings Program.
<b>ACO Participant List</b>	A list that identifies all of an ACO's participants. An ACO must certify its ACO Participant List as accurate prior to the start of its participation agreement with CMS and annually thereafter before the start of the next performance year.
<b>ACO-MS</b>	The ACO Management System (ACO-MS) is the online system in which ACOs complete all application related activities.
<b>Advance Investment Payments</b>	Offers eligible ACOs advance shared savings payments, including an upfront payment of \$250,000 and two years of quarterly payments. Advance investment payments are intended to encourage low revenue ACOs that are inexperienced with risk to participate in the Shared Savings Program and to provide additional resources to such ACOs to support care improvement for underserved beneficiaries.
<b>Beneficiary Assignment Methodology</b>	The method that CMS employs for the assignment of beneficiaries to an ACO. ACOs may select the assignment methodology: preliminary prospective assignment with retrospective reconciliation or prospective assignment. Beneficiary assignment contributes to key program operations, such as calculating the ACO's financial benchmark, assessing the ACO's financial performance after the close of each performance year, and determining the ACO's sample of beneficiaries for quality reporting.
<b>Beneficiary Incentive Program</b>	A program in which ACOs participating in certain two-sided models offer incentive payments to encourage assigned beneficiaries to obtain medically necessary primary care services.
<b>Financial Benchmark</b>	The cost target used to assess an ACO's financial performance, and eligibility for an earned shared savings payment.
<b>Minimum Savings Rate/Minimum Loss Rate (MSR/MLR)</b>	Minimum Savings Rate (MSR) is a percentage threshold ACOs must meet or exceed to receive a shared savings payment. A Minimum Loss Rate (MLR) is a percentage threshold ACOs must meet or exceed to be liable for shared losses.
<b>One-sided model</b>	A model under which the ACO may share savings with the Medicare program, if it meets the requirements for doing so, but is not liable for sharing any losses incurred.
<b>Two-sided model</b>	A model under which the ACO may share savings with the Medicare program, if it meets the requirements for doing so, and is also liable for sharing any losses incurred.

Term	Definition
<b>Performance-based Risk</b>	An initiative implemented by CMS that requires an ACO to participate under a two-sided model during its agreement period.
<b>Request for Information</b>	The process through which CMS gives ACOs the opportunity to correct deficiencies and/or make updates or modifications to the ACO application or change request(s). RFIs are issued in ACO-MS, and ACOs must respond to RFIs in ACO-MS.
<b>SNF 3-Day Rule Waiver</b>	Waives the requirement for a 3-day inpatient hospital stay prior to a Medicare-covered, post-hospital, extended-care service for eligible beneficiaries if certain conditions are met.
<b>SNF Affiliate List</b>	A list that identifies all of an ACO's SNF affiliates by their Medicare-enrolled SNF TINs, SNF TIN LBNs, and SNF CCNs. Each ACO establishes its SNF Affiliate List during Phase 1 of the Shared Savings Program Application process.

## APPENDIX E: ACRONYMS

Below is a list of acronyms used throughout the Application Reference Manual and their definitions.

ACO: Accountable Care Organization  
ACO-MS: ACO Management System  
AIP: Advance Investment Payments  
BIP: Beneficiary Incentive Program  
BY: Benchmark Year  
CCN: CMS Certification Number  
CMS: Centers for Medicare and Medicaid Services  
CY: Calendar Year  
DBA: Doing business as (trade name)  
DUA: Data Use Agreement  
EFT: Electronic Funds Transfer  
FFS: Fee-for-service  
Form CMS-588: Electronic Funds Transfer Authorization Agreement  
LEN: Legal Entity Name  
LBN: Legal business name  
MLR: Minimum Loss Rate  
MSR: Minimum Savings Rate  
Performance Year: PY  
QPP: Quality Payment Program  
RFI: Request for Information  
RM: Repayment Mechanism  
SNF: Skilled Nursing Facility  
TIN: Taxpayer identification number

## APPENDIX F: PARTICIPATION OPTIONS

### Participation Options for ACOs Based on Applicant Type and Experience With Risk (87 FR 69820)

APPLICANT TYPE	ACO experienced or inexperienced with performance-based risk Medicare ACO initiatives	Participation Options: First Agreement Period (or Subsequent for Renewing/Re-entering ACOs)	Participation Options: Next Agreement Period	Participation Options: Future Agreement Periods
New legal entity (An ACO that has never participated in the Shared Savings Program and is not identified as a re-entering ACO or a renewing ACO)	Inexperienced*	A, A, A, A, A via one-time election prior to the start of the second performance year	A, B, C, D, E	Remain in Level E indefinitely, or move to ENHANCED track
New legal entity (An ACO that has never participated in the Shared Savings Program and is not identified as a re-entering ACO or a renewing ACO)	Experienced	E, E, E, E, E	E, E, E, E, E	Remain in Level E indefinitely, or move to ENHANCED track
Re-entering ACO	Inexperienced – former BASIC track Level A or B	A, B, C, D, E	E, E, E, E, E	Remain in Level E indefinitely, or move to ENHANCED track
Re-entering ACO	Inexperienced* – former Track 1	A, A, A, A, A via one-time election prior to the start of the second performance year	A, B, C, D, E	Remain in Level E indefinitely, or move to ENHANCED track
Re-entering ACO	Experienced – participated under Track 2, 3, BASIC track Level C, D, or E, ENHANCED track, the Track 1+ ACO Model, or another performance-based risk ACO initiative	E, E, E, E, E	E, E, E, E, E	Remain in Level E indefinitely, or move to ENHANCED track
Renewing ACO	Inexperienced	A, B, C, D, E	E, E, E, E, E	Remain in Level E indefinitely, or move to ENHANCED track
Renewing ACO	Experienced – participated under Track 2, 3, BASIC track Level C, D, or E, or ENHANCED track, the Track 1+ ACO Model, or another performance-based risk ACO initiative	E, E, E, E, E	E, E, E, E, E	Remain in Level E indefinitely, or move to ENHANCED track

Any ACO, regardless of type or experience level, may elect to progress more quickly along the BASIC track glide path or to apply to enter a new agreement period under the ENHANCED track at any time.

\*Under 42 CFR § 425.600(h), if an inexperienced ACO meets the definition of experienced with performance-based risk Medicare ACO initiatives (as specified in 42 CFR § 425.20), that the ACO would be permitted to complete the remainder of its current performance year in a one-sided model of the BASIC track, but would be ineligible to continue participation in the one-sided model after the end of that performance year if it continues to meet the definition of experienced with performance-based risk Medicare ACO initiatives and would be automatically advanced to Level E of the BASIC track at the start of the next performance year.