



September 29, 2020

Via Email

Valinda Rutledge
vrutledge@apg.org

Dear Ms. Rutledge:

Thank you for your letter to Director Smith urging the Centers for Medicare & Medicaid Services (CMS) Center for Medicare and Medicaid Innovation (Innovation Center) to maintain the prospective trend for Next Generation Accountable Care Organizations (ACOs) who do not sign the Participation Agreement amendment with Coronavirus disease 2019 (COVID-19) related methodology adjustments. I am responding on his behalf.

CMS appreciates that this year has generated significant uncertainty for ACOs, and this understanding was a primary driver for offering this amendment to ACOs who prefer to reduce their risk during this time. However, if an ACO chooses not to sign the amendment, they are still subject to the unmodified Participation Agreement that they signed for Performance Years 2019 and 2020.

The unmodified Participation Agreement permits CMS to retroactively change the projected trend used in calculating the Performance Year Benchmark if CMS determines that exogenous factors, such as the COVID-19, renders the projected trend invalid for assessing the expected level of spending between the Base Year and Performance Year. This adjustment is unrelated to the Amendment offered to the Next Generation ACOs and has always been an option available to CMS in the Next Generation ACO Model.

COVID-19 appears to have dramatically impacted expenditures during 2020. Complete data will not be available until early 2021; however, if the observed trend continues to vary significantly from the prospective trend, CMS will adjust the trend to ensure that ACO-generated shared savings or losses do not primarily stem from national changes in expenditures during the year.

We appreciate your support of the Next Generation ACO Model and value-based care.

Sincerely,

Amy Bassano

Amy Bassano
Deputy Director
Center for Medicare and Medicaid Innovation