



Elena Tkachev

Elena Tkachev is Collaborative Health Systems' Vice President of Healthcare Analytics. In her role, Elena leads a team focused on transforming information into insight. She joined the CHS leadership team in 2014 and developed advanced analytics, models, and algorithms to support healthcare transformation and innovation for CHS provider partners. Before joining CHS, Elena worked at McKinsey Solutions Office in Healthcare Value Analytics. Elena has held leadership positions at Horizon Healthcare Innovations, a subsidiary of Horizon Blue Cross Blue Shield (BCBS) of New Jersey, Anthem and Milliman. Elena earned an MBA from Fordham University and a Bachelor of Science in actuarial science and applied mathematics from Maryville University.

Disclaimer

The methodology for setting the benchmark has evolved over time. In recent years, CMS aims to strike a balance with the benchmark methodology, ensuring that ACOs have the opportunity to achieve savings while also accounting for regional healthcare costs and other factors that may influence spending. The benchmark is adjusted each year to account for changes in ACO size, beneficiary assignment, and other relevant factors.

It's important to note that the benchmark is a complex calculation, and specific details and methodologies may vary across different types of ACO Reach. For the most accurate and up-to-date information on how the benchmark is set under the ACO REACH Program, please reference CMS resources, <https://innovation.cms.gov/innovation-models/aco-reach>.

Content

ACO Reach Benchmark Calculation for Standard ACO

Important Considerations when forecasting ACO Reach Shared Savings / Losses

CMS Reports for ACO Reach Participants

Tips for Forecasting

Benchmark Calculation (1 of 3)

Performed for each benchmark year (2017-2019) and for ESRD and Aged-Disabled Beneficiaries separately



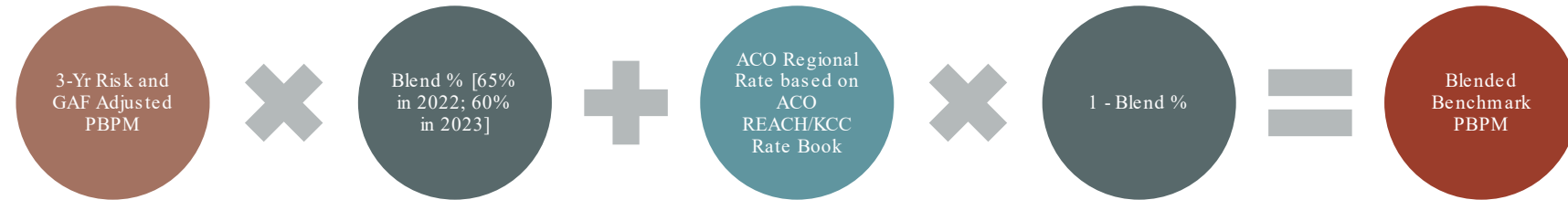
3-yr Weighted Historical PBPM for ESRD and Aged-Disabled Beneficiaries separately



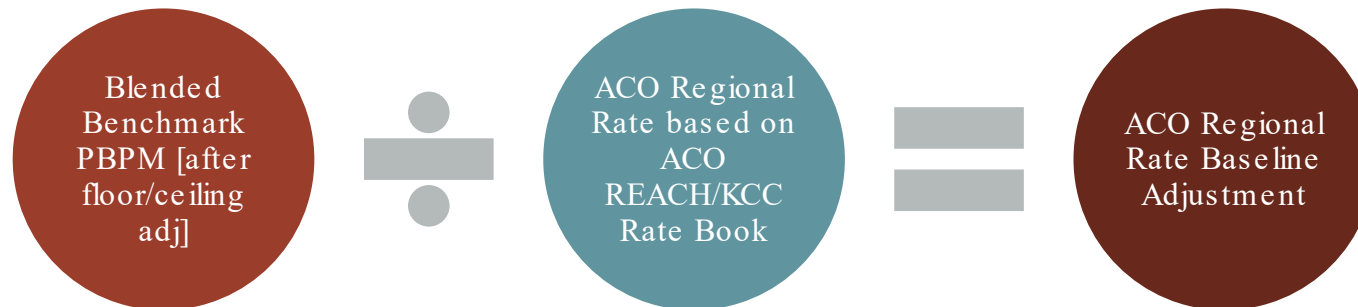
Benchmark Calculation (2 of 3)

Blend of 3-yr Historical PBPM and Regional Rate Book subject to floor and ceiling

- Increase up to 5% of PY's Adjusted FFS USPCC (absolute PBPM value)
- Decrease up to 2% of PY's Adjusted FFS USPCC (absolute PBPM value)



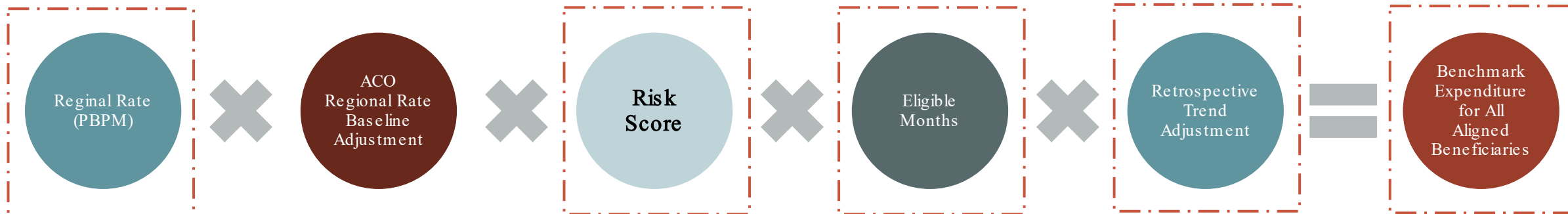
Calculation of ACO Regional Rate Baseline Adjustment



Subject to change and will be finalized at the end of the performance year

Benchmark Calculation (3 of 3)

Benchmark before Discount or Quality Withhold for Claims-aligned and Voluntary aligned



Application of Discount, Quality and Equity Adjustments

- Discount and Quality Withhold applied to Benchmark Expenditure for All Aligned Beneficiaries
- Health Equity Adj. applied at the beneficiary month level, +\$30 PBPM, -\$6 PBPM, or no adjustment

Performance Year	2022	2023	2024	2025	2026
Discount	2%	3%	3%	3.5%	3.5%
Quality Withhold	5%	2%	2%	2%	2%



Benchmark Key Variables

Historical Expenditures

- Final

Risk-Standardization and GAF Adjustment

- Final

Trend Baseline with USPCC

- May be subject to retrospective trend adjustment

Regional Expenditures
(Rate Book)

- Rate Book rates and Regional Baseline Adjustment are final
- PY Regional Rate will vary with alignment / eligibility updates

Performance Year Risk Adjustment

- Risk scores will update with changing alignment
- Progression to final, fully resolved risk scores

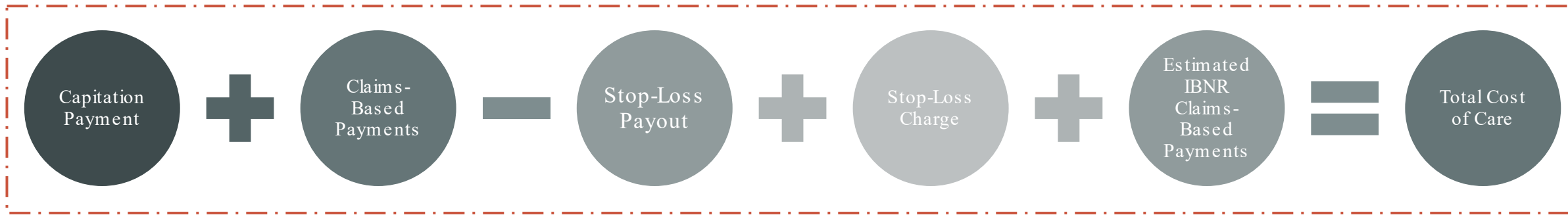
Discount / Quality Withhold

- Discount and quality withhold amounts are final
- Quality earn back is set at 100% and pending final quality scores

Performance Year Expenditures

Subject to change and will be finalized at the end of the performance year

Expenditures expected to fluctuate during performance year



Shared Savings / Losses calculated by taking the difference btw Adjusted Benchmark and Total Cost of Care



Key Components of Shared Savings Forecasting (Known Unknowns)

- Alignment eligibility changes during the year
- Risk Adjustment
 - Measurement period, eligibility checks, application of +/- 3% Cap
 - Normalization factors
 - Coding Intensity Factor
- Retrospective Trend Adjustment
 - CMS may retroactively modify the benchmark trend if there is a difference of >1% between the Prospective Trend and Performance Year experience of the ACO Reach National Reference Population
- Quality Score
- Incurred But Not Reported (IBNR) Expenditures

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Prophecy is a good line of business, but it is full of risks.

Mark Twain

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I always avoid prophesying beforehand because it is much better to prophesy after the event has already taken place.

Winston Churchill

- Quarterly Benchmark Report
- Quarterly Risk Score Report
- National Reference Population Data Report
- Monthly Expenditure Reports
- Quarterly Quality Reports
- Alternative Payment Arrangement Report
- Monthly Beneficiary Alignment Report

Comparing Beneficiary Alignment and Expenditure Periods

		2014				2015				2016				BMRK Yr 1 = 2017				BMRK Yr 2 = 2018				BMRK Yr 3 = 2019			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
BMRK Year 1	Beneficiary Alignment Period																								
	Expenditure Period																								
	Diagnosis Period to generate Risk Score																								
	Risk Score Payment Year																								
BMRK Year 2	Beneficiary Alignment Period																								
	Expenditure Period																								
	Diagnosis Period to generate Risk Score																								
	Risk Score Payment Year																								
BMRK Year 3	Beneficiary Alignment Period																								
	Expenditure Period																								
	Diagnosis Period to generate Risk Score																								
	Risk Score Payment Year																								

		2019				2020				2021				2022				2023				2024			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Performance Year = 2023	Beneficiary Alignment Period																								
	Beneficiary Alignment Eligibility Determination																								
	Expenditure Period																								
	Diagnosis Period to generate Risk Score																								
	Risk Score Payment Year																								
	Diagnosis Period to generate Risk Score for Reference Population																								
	Risk Score Payment Year for Reference Population																								

Tips for forecasting

Regularly review, update and refine forecasting model

Check assumptions and perform sensitivity analysis

Collaborate with actuaries and healthcare finance professionals

Stay informed about CMS program updates and guidelines





Contact Information

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