Shared Savings Distribution Models

Agenda

- Introductions & Learning Objectives
- Essentia Health
- Community Health Provider Alliance
- Discussion & Wrap-Up

Speakers

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Objectives

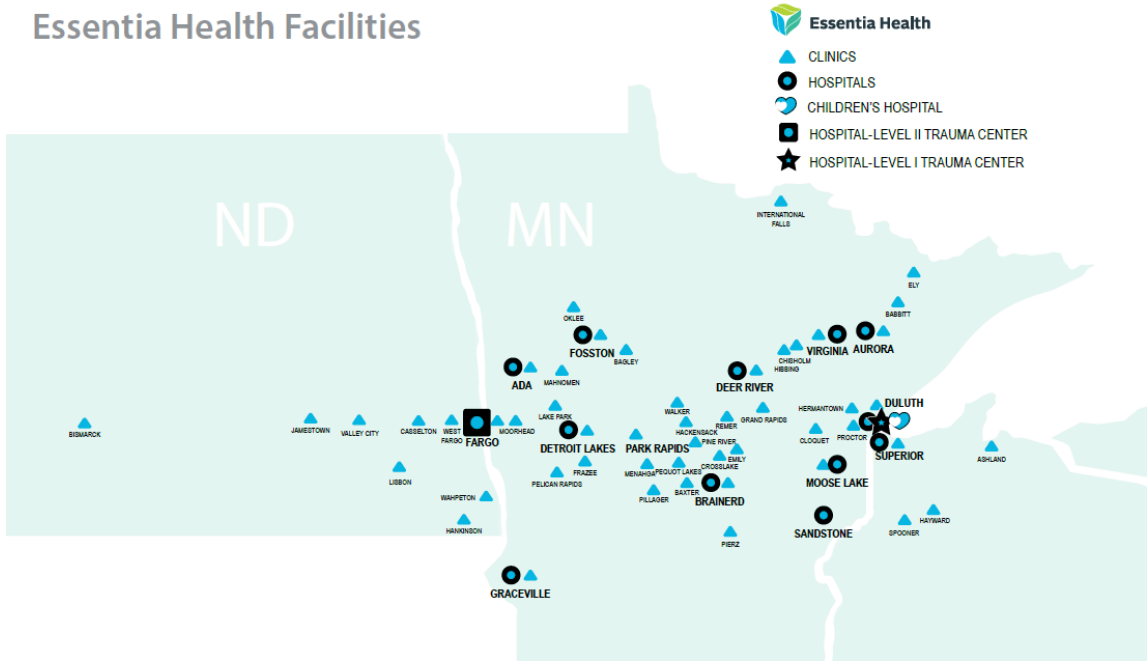
- Discuss current and new rules surrounding Shared Savings distribution
- Identify basic principles around Shared Savings distribution
- Share examples of Shared Savings distribution models

Essentia Health

Essentia Health

Our mission: We are called to make a healthy difference in people's lives.

- **15,700** colleagues
- **14** hospitals
- **79** clinics
- **6** long-term care facilities
- **6** assisted living & independent care facilities
- **7** ambulance services
- **1** research institute



CMS Rules around Shared Savings Distribution

1.Distribution of Shared Savings:

CFR § 425.204 (d) "Distribution of savings. As part of its application to participate in the Shared Savings Program, an ACO must certify it has a mechanism and plan to receive and use payments for shared savings, including criteria for distributing shared savings among its ACO participants and ACO providers/suppliers."

2. Use of Shared Savings:

ACOs are encouraged to reinvest shared savings into activities that further improve care quality and efficiency. This may include infrastructure investments, care coordination programs, and other initiatives that support the ACO's goals.

3. Compliance and Reporting:

ACOs must comply with all MSSP regulations and reporting requirements. This includes creating and maintaining a dedicated webpage of required reporting elements.

CMS Final Rule: Distribution of Shared Savings Public Reporting Requirements

Public Reporting eCFR :: 42 CFR Part 425 -- Medicare Shared Savings Program

- The Shared Savings Program requires ACOs to create and maintain a dedicated webpage to publicly report required organizational and programmatic information, such as organizational contact information and performance results. CMS provides instructions to ACOs ahead of each public reporting cycle.
- Public Reporting Instructions & Template v9 (DOCX)

Source: Program Guidance & Specifications | CMS

CMS Final Rule: Distribution of Shared Savings Public Reporting Requirements

Copied instructions on Public Reporting requirements:

Shared Savings Distribution: As described in 42 CFR § 425.308(b)(4), enter the distribution of shared savings (in percentage), which entails the total proportion of shared savings invested in infrastructure, redesigned care processes, and other resources to coordinate care and improve quality, and distributed among ACO participants for all completed performance years by agreement period. Distribution proportion amounts are at the discretion of the ACO.

- ACOs that did not earn shared savings or incurred losses for a given performance year must indicate “N/A.”

Public reporting example

Shared Savings Distribution

- Third Agreement Period
  - Performance Year 2023
    - Proportion invested in infrastructure: 20%
    - Proportion invested in redesign care processes/resources: 40%
    - Proportion of distribution to ACO participants: 40%

CY2025 Change: Prepaid Shared Savings

- Allows prepayment of anticipated shared savings for eligible ACOs (Levels C-E, Enhanced with history of earning shared savings).
- At least 50% of prepaid shared savings must be spent on:
  - Direct beneficiary services, not otherwise payable in Traditional Medicare.
  - Evidence-based and medically appropriate for the beneficiary based on clinical and social risk factors.
- Additionally, up to 50% of the prepaid shared savings can be spent on staffing and health care infrastructure.
  - Source: Calendar Year (CY) 2025 Medicare Physician Fee Schedule Final Rule (CMS-1807-F) - Medicare Shared Savings Program Provisions | CMS

Distribution Methodology

Simple Payment Model:

- Payment is based on the total number of participants or total patients in the ACO under the TIN (Tax Identification Number).

Equation Example:

- Total shared earnings / total population = $___ per member
- $___ per member x total membership in TIN = shared earnings

Participation in ACO model

Performance* in ACO model

(* must not include or appear to include incentives for providers to reduce or limit medically necessary items or services)

Reference: Shared Savings Distribution – Wilems Resource Group

Community Health Provider Alliance (CHPA)

DBA of Colorado Community Managed Care Network (CCMCN)

CCMCN-CHPA Merger

As of January 1, 2025 Community Health Provider Alliance (CHPA) and Colorado Community Managed Care Collaborative (CCMCN) have merged.

Stronger Together! The Impact of our Merger | Aligning CHPA as an accountable care organization—focused on supporting performance in value-based care contracts—with CCMCN's expertise in community data integration and public health means:

- **Enhanced Data & Coordination** – CHPA's accountable care organization function is now powered by a stronger data infrastructure, dedicated data science teams, and advanced community care coordination systems.
- **Maximized Performance & Savings** – Higher quality outcomes, greater cost savings, and increased member revenue.
- **Greater Impact** – Improved population health, financial stability, and health equity across our communities.
- **Streamlined Support** – Increased efficiency for members by reducing the number of organizations from three to two, with CHPA-CCMCN working in close alignment with Colorado Community Health Network (CCHN).

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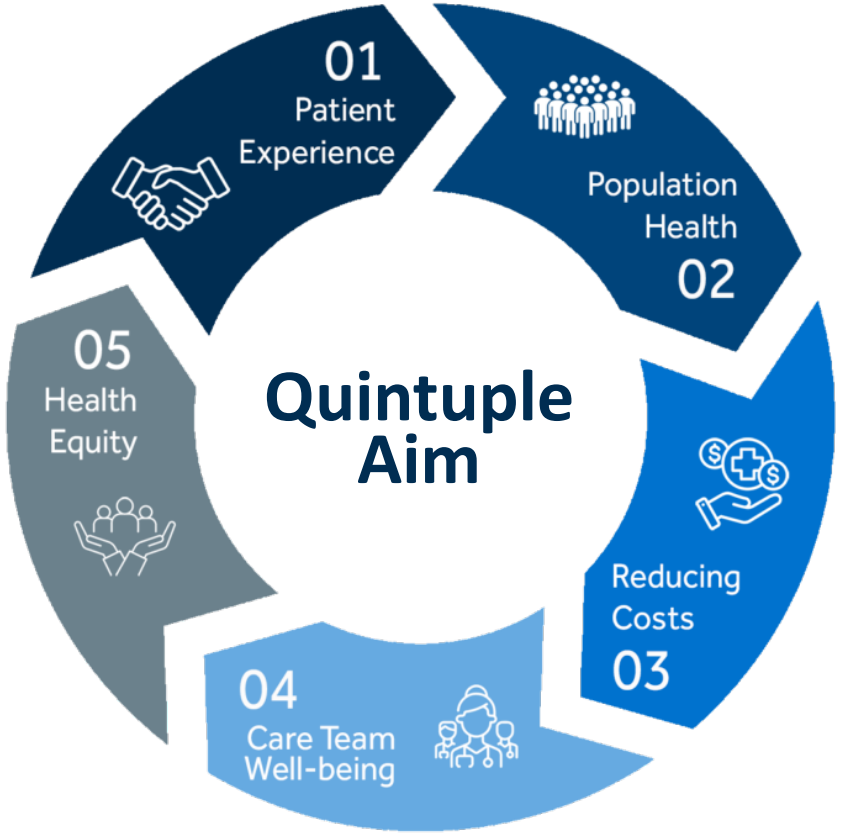
Community Health Provider Alliance (CHPA)

CHPA was formed in 2014 as a 501(c)(3) organization and is focused on value-based contracts and the quintuple aim.

CHPA's network is comprised of 20 Colorado Federally Qualified Health Centers (FQHCs) and one urban Indian health program:

- 243 locations and 1,000+ medical and behavioral health providers
- Serving 832,000+ patients with a focus on those who are uninsured, underinsured, and under-resourced
- All participants are fully integrated with Medical, Dental and Behavioral Health services
- Over 75% of population with co-morbidities and are struggling with the social determinants of health (SDoH)



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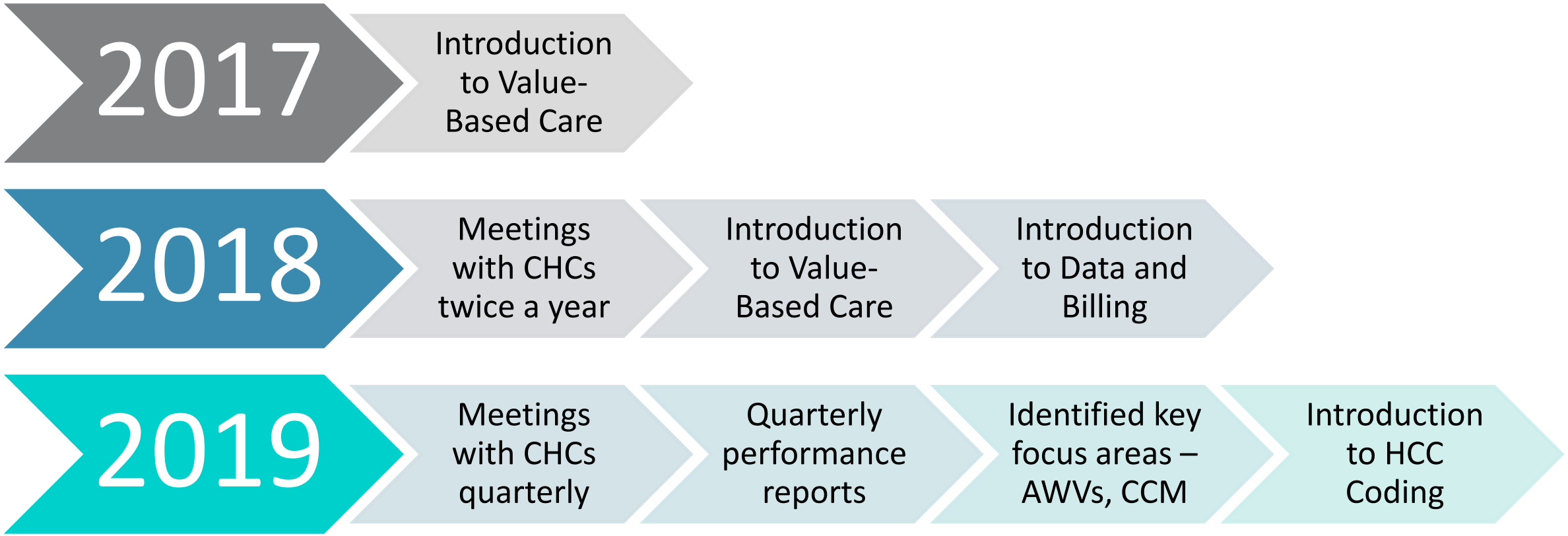
CHPA In the Beginning (2017-2019)



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CHPA Distribution Basics

Starting Steps

- CHPA developed the annual *Performance Dashboard* to track performance in key areas of the value-based contracts
- The CHPA Clinical Committee reviews the *Performance Dashboard* annually and makes recommendations to the Board for approval before the start of the contract year.
- Performance data will be aggregated at the practice TIN (tax identification number) level.
- The Board reviews the distribution model's performance metrics annually and ad hoc and may make changes in current performance requirements. Specifically, if most of the network does not achieve a metric this may result in a positive change to the measurement.
- Members shared savings potential is based on the members percent of total attribution of the CHPA network in the contract that achieved shared savings.

Things to Think About

- What if a member leaves prior to shared savings being earned and delivered by the payer?
- How will the ACO determine how much it retains and what is available for distribution?

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Shared Savings Distribution Evolution

2019 - First Distribution Model Created

Utilization
- Contribution to Shared Savings: 65%
- Decrease ED Utilization: 10%

Quality:
- Increase % of AWVs: 5%
- Increase % of CCM: 5%

Engagement:
- 60% Participation in Meetings: 10%
- GPRO Submission: 5%

2020 - Distributed 2019 shared savings based on attribution

Utilization
- Contribution to Shared Savings: 65%
- Decrease ED Utilization: 10%

Quality:
- Increase % of AWVs: 5%
- Increase % of CCM: 5%

Engagement:
- 60% Participation in Meetings: 10%
- GPRO Submission: 5%

2021 - Waived all quality measures for 2020 but agreed to advance distribution model

Utilization:
- Contribution to shared Savings: 60%
- Decrease ED Utilization: 5%

Quality:
- Increase in AWV: 5%
- Improvement in Diabetes Poor Control: 5%
- Improvement in Controlling HBP: 5%

Engagement:
- 4 Quarterly Leadership Mtgs & ad hoc transformation mtgs: 10%
- Required EHR Access: 10%

2022 - Clinical Committee Introduced and focus increased on AWVs, HCC and Citizenship

Utilization:
- Contribution to shared Savings: 40%
- Pre-Visit Planning w/ Coding: 10%
- HCC Re-Capture Rate >75%: 10%

Quality:
- AWV Completion Rate 20%: 25%

Engagement:
- 4 Quarterly Leadership Mtgs, Monthly Transformation Mtgs, Operational Excellence x2, Provider Education on HCC x4: 10%

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Clinical Committee Role (Oct/Nov)

- Committee Make Up: 7-9 Clinical Leaders who are willing to hold themselves and the network accountable to performance
- Review all measures in CHPA value-based contracts
- Review alignment with other required measure sets: Colorado Medicaid, HRSA/UDS Reporting, Regional Medicaid Entities
- Answer what is attainable:
  - How many measures
  - Goal alignment
- Make a Recommendation to the Board for next years distribution model

Shared Savings and eCQMs

Performance Area	2023 Distribution %	Measures
Utilization – 50%	30%	Contribution to Shared Savings
	20%	ED Utilization/1000 below CHPA 2022 baseline or a 5% improvement from CHC 2022 baseline
Quality – 40%	25% Or 12%	AWV Completion Rate of 25% Or achieve 15% completion
	15%	Diabetes A1c > 9 rate of ≤ 27% or 20% improvement from CHC 2022 baseline
Data Sharing – 10%	10%	HCC Re-Capture Rate >75%

Performance Area	2024 Distribution %	Measures
Utilization – 45%	30%	Contribution to Shared Savings
	15%	ED Utilization/1000 below CHPA 2023 baseline or a 10% improvement from CHC 2023 baseline
Quality – 45%	20% Or 10%	AWV Completion Rate of 25% Or achieve 15% completion
	15%	Diabetes A1c >9 rate of ≤ 17% or close the gap by 10% from CHC final 2023 performance
	10%	Controlling High Blood Pressure rate of ≥ 81% or close the gap by 10% from CHC final 2023 performance
Data Sharing – 10%	10% Or 5%	HCC Re-Capture Rate ≥75% Or achieve ≥ 65%

Engagement [16 points possible]	• Quarterly Performance Review Meetings • 8/12 months Performance Improvement Mtg • Operational Excellence 3x per year • Participation in 1 workgroup/quality action lab

Total Points Earned	Earned Savings Multiplier
15 - 16	1
14	0.9
13	0.8
12	0.7
<12	0

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Questions?