

## Shared Savings

Effective Date: 01/01/2018

### Policy

It is the policy of the ACO to encourage the advancement of the ACO, its Next Generation Participants, Preferred Providers, and partners, while providing quality, efficient and coordinated care to Beneficiaries. As such, the ACO will distribute any and all shared savings realized through the Next Generation ACO Model in a way that maximizes the benefit to all parties involved, with the aim of continuously improving the care and service it provides.

### Applicability

This policy and procedure applies to all Next Generation Participants, Preferred Providers, Next Generation Professionals, and other individuals or entities performing functions or services related to the ACO's activities.

### Procedure

- A. The ACO will utilize shared savings payments to:
  1. Reimburse ACO expenses incurred by the ACO in establishing and managing the ACO;
  2. Reinvest in the ACO to maintain adequate resources for proper operation and ongoing improvement of care coordination and other processes;
  3. Reward the Next Generation Participants and Preferred Providers for achieving the goals of the program; and,
  4. Reward partners for their initial and ongoing support of the ACO.
- B. **Reimbursement of ACO expenses.** Shared savings payments will first be used to reimburse ACO expenses incurred on behalf of the ACO's efforts to build an operational foundation. Expenses will include, but may not be limited to the following:
  1. Establishment of an active care coordination program designed to assure consistent and replicable care coordination processes;
  2. Information Technology (IT) infrastructure, including deployment and maintenance of a Health Information Exchange (HIE); and,
  3. The establishment of a comprehensive compliance program, including strict privacy and security protocols which will comply with all federal and state regulations.
- C. **Re-Investment in the ACO.** The ACO intends to reinvest shared savings payments back in to the ACO in such amounts as deemed necessary and appropriate to enhance the ACO's infrastructure, including staffing, enhanced web-based reporting systems and new clinical intervention programs in order to meet the goals of the ACO.

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### D. Distribution to Next Generation Participants, Preferred Providers, and ACO partners.

1. Fifty percent of the remaining shared savings will be distributed to Next Generation Participants, consistent with the rules established by the governing board. Individual Participant distributions will be based on the number of beneficiaries assigned to the ACO through the individual Participant's TIN, adjusted by the following performance criteria as established by CMS and the ACO:
  - i. Quality performance measures (CMS);
  - ii. Efficiency scores on a peer- and risk-adjusted basis for the ACO; and,
  - iii. Provider engagement benchmarks set by the ACO.
  - iv. The ACO shall not distribute Shared Savings to any Next Generation Participant or Preferred Provider that has been terminated from the ACO for non-compliance, whether terminated by CMS or by the Governing Body of the ACO.

## Reporting

- A. The ACO will publicly report the distribution of shared savings, as required by regulations, via its public website.

## Related Documentation

- A. Next Generation ACO Model Participation Agreement III.D.8, XVI.A, XIX

## Additional Guidance

N/A

## Signatures