

PAYMENT REFORM POLICY BRIEF:

Shared Savings Programs

The “shared savings” concept was introduced under the Medicare Shared Savings Program (“MSSP”) provisions of the Affordable Care Act, but other payors are developing similar models. Key elements:

- Fee-for-service reimbursement for services to patients.
- Designation of an Accountable Care Organization (“ACO”), consisting of either a large primary care provider or a provider network.
- Attribution of a patient population to the ACO (for example, patients who receive at least half of their care, measured by cost, from members of the ACO).
- Setting a benchmark total annual cost of care for the attributed patient population.
- Comparison of benchmark cost to actual total annual cost of care for the attributed patient population.
- Distribution to the ACO of a share of savings, if the actual cost is below the benchmark.
- Payment by the ACO of a share of the excess, if the actual cost is higher than the benchmark.

Practical issues about shared savings programs are discussed in MMA’s publication *Payment Reform Readiness: A Legal Toolkit for Physicians* (October 2013), available at: www.mainemed.com/sites/default/files/content/MMA%20Legal%20Toolkit%20for%20Payment%20Reform%20FINAL%20Oct%201%202013.pdf.

Medicare

A case study about the MSSP experience of Maine Community ACO, established by nine of Maine’s community health centers, is included in MMA’s publication *Payment Reform Update: Current Context and Emerging Issues* (September 2014), available at: www.mainemed.com/sites/default/files/content/MMA%20Payment%20Reform%20Update%20FINAL.pdf.

The Centers for Medicare and Medicaid Services maintains a MSSP website: www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html?redirect=/sharedsavingsprogram/

MaineCare

MaineCare’s Accountable Communities Initiative (“ACI”) is discussed in MMA’s publication *Payment Reform Update: Current Context and Emerging Issues* (September 2014), available at: www.mainemed.com/sites/default/files/content/MMA%20Payment%20Reform%20Update%20FINAL.pdf.

The Maine Department of Health and Human Services, Office of MaineCare Services, maintains an ACI website: www.maine.gov/dhhs/oms/vbp/accountable.html.

Maine State Employee Health Commission

Maine State Employee Health Commission (“SEHC”) is a self-insured health benefit plan that covers State of Maine and University of Maine System employees and non-Medicare retirees, and their families. SEHC has developed multi-year Accountable Care Agreements very similar to the MSSP model.

SEHC’s Accountable Care efforts are discussed in MMA’s publication *Payment Reform Update: Current Context and Emerging Issues* (September 2014), available at: www.mainemed.com/sites/default/files/content/MMA%20Payment%20Reform%20Update%20FINAL.pdf.

Commercial Payors

Commercial health insurance payors are developing their own shared savings programs. For example, Aetna Health, Inc., maintains an Accountable Care Solutions website: <http://www.aetnaacs.com/>.



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