

# PAYMENT REFORM POLICY BRIEF:

## Shared Savings Programs

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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](http://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](http://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/](http://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](http://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](http://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](http://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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This Issue Brief was prepared by Benjamin P. Townsend, Esq., an attorney at Kozak & Gayer, P.A., under a grant from the Maine Health Access Foundation. Additional resources are available through the “Payment Reform” pages of MMA’s website at: [www.mainemed.com/cme-education-info/payment-reform-resources](http://www.mainemed.com/cme-education-info/payment-reform-resources).