

Figure 1. Overview of Proposed Revisions to Shared Savings Financial Model: Track 1, Track 2, and Track 3

	Track 1: One-Sided Risk Model		Track 2: Two-Sided Risk Models		Track 3: Two-Sided Risk Models
Issue	Current	Proposed	Current	Proposed	Proposed
Transition to Two-Sided Model	Transition to two-sided model occurs after first agreement period under one-sided model. Subsequent agreement periods under two-sided model	Remove requirement to transition to two-sided model for a second agreement period	ACOs may elect Track 2 without completing a prior agreement period under a one-sided model Once elected, ACOs cannot switch into Track 1 for subsequent agreement periods		ACOs may elect Track 3 without completing a prior agreement period under a one-sided model Once elected, ACOs cannot switch into Track 1 for subsequent agreement periods
Beneficiary Assignment	Preliminary prospective beneficiary assignment; retrospective assignment for financial reconciliation		Preliminary prospective beneficiary assignment for reports; retrospective assignment for financial reconciliation		Prospective assignment for reports and financial reconciliation Removal of ineligible beneficiaries at end of year
Benchmark	Reset at the start of each agreement period	Seeking comment on alternative methodology	Reset at the start of each agreement period	Seeking comment on alternative methodology	Reset at the start of each agreement period Seeking comment on alternative methodology
Adjustments for health status and demographic changes	Historical benchmark expenditures adjusted based on CMS-HCC model. Updated historical benchmark adjusted relative to the risk profile of the performance year <i>Performance year: newly assigned beneficiaries adjusted using CMS-HCC model; continuously assigned beneficiaries adjusted using demographic factors alone unless CMS-HCC risk scores result in a lower risk score</i>		Historical benchmark expenditures adjusted based on CMS-HCC model. Updated historical benchmark adjusted relative to the risk profile of the performance year <i>Performance year: newly assigned beneficiaries adjusted using CMS-HCC model; continuously assigned beneficiaries adjusted using demographic factors alone unless CMS-HCC risk scores result in a lower risk score</i>		Historical benchmark expenditures adjusted based on CMS-HCC model. Updated historical benchmark adjusted relative to the risk profile of the performance year <i>Performance year: newly assigned beneficiaries adjusted using CMS-HCC model; continuously assigned beneficiaries adjusted using demographic factors alone unless CMS-HCC risk scores result in a lower risk score</i>

	Track 1: One-Sided Risk Model		Track 2: Two-Sided Risk Models		Track 3: Two-Sided Risk Models
Issue	Current	Proposed	Current	Proposed	Proposed
Adjustments for IME and DSH	IME and DSH excluded from benchmark and performance year expenditures		IME and DSH excluded from benchmark and performance year expenditures		IME and DSH excluded from benchmark and performance year expenditures
Other payment adjustments	Include other payment adjustments included in Part A and B claims such as, geographic payment adjustments and HVBP payments, in benchmark and performance year expenditures	Seeking comment on other technical adjustments		Seeking comment on other technical adjustments	Include other payment adjustments included in Part A and B claims such as, geographic payment adjustments and HVBP payments, in benchmark and performance year expenditures
Quality Sharing Rate	Up to 50% based on quality performance	In first performance period, up to 50% based on quality performance for first agreement period In subsequent performance periods, reduced by 10 percentage points under one-sided model	Up to 60% based on quality performance		Up to 75% based on quality performance
Performance Payment Limit	10%		15%		20%
Minimum Savings Rate	2.0% to 3.9% depending on number of assigned beneficiaries.		Fixed 2.0%	2.0% to 3.9% depending on number of assigned beneficiaries	Fixed 2.0%

	Track 1: One-Sided Risk Model		Track 2: Two-Sided Risk Models		Track 3: Two-Sided Risk Models
Issue	Current	Proposed	Current	Proposed	Proposed
Shared Savings	First dollar sharing once MSR is met or exceeded		First dollar sharing once MSR is met or exceeded		First dollar sharing once MSR is met or exceeded
Minimum Loss Rate	N/A		Fixed 2.0%	2.0% to 3.9% depending on number of assigned beneficiaries	Fixed 2.0%
Shared Loss Rate	N/A		One minus final sharing rate applied to first dollar losses once minimum loss rate is met or exceeded Shared loss rate not to exceed 60%		One minus final sharing rate applied to first dollar losses once minimum loss rate is met or exceeded Shared loss rate not to be less than 40% or exceed 75%
Loss Sharing Limit	N/A		Limit on the amount of losses to be shared increases annually over 3 years starting at 5% in year 1, 7.5% in year 2, and 10% in year 3 and any subsequent years. Losses in excess of the annual limit would not be shared		15% Losses in excess of annual limit would not be shared