Accountable Care Organization Investment Model (AIM)

Overview
Accountable Care Organizations (ACOs) are groups of doctors, hospitals, and other health care providers, who come together voluntarily to provide coordinated, high-quality care to their Medicare patients to help them deliver better care at lower cost.

The goal of coordinated care is to ensure that patients, especially people with chronic conditions, get the right care at the right time, while avoiding unnecessary duplication of services and preventing medical errors.

ACOs represent one part of a comprehensive series of initiatives in the Affordable Care Act that are designed to lower costs and improve care. When an ACO succeeds in both delivering high-quality care and spending health care dollars more wisely, it will share in the savings it achieves for the Medicare program.

Medicare currently offers several ACO initiatives:

- Medicare Shared Savings Program (Shared Savings Program)
- Pioneer ACO Model
- Next Generation ACO Model (NGACO)
- ACO Investment Model (AIM)
- Comprehensive End Stage Renal Disease (ESRD) Care Initiative

This fact sheet provides a general description of the AIM, an ACO model being offered to support Shared Savings Program ACOs. The Shared Savings Program creates financial incentives for ACOs that lower growth in health care costs while meeting performance standards on quality of care and putting Medicare beneficiaries first.

Summary of the ACO Investment Model
The AIM is an initiative developed by the Center for Medicare & Medicaid Innovation (Innovation Center) designed for organizations participating as ACOs in the Shared Savings Program. AIM is a model of pre-paid shared savings that builds on the experience with the Advance Payment ACO Model to encourage new ACOs to form in rural and underserved areas and current Shared Savings Program ACOs to transition to
arrangements with greater financial risk. The model is expected to provide a total of $83 million in upfront and ongoing investments to AIM participants.

The AIM is available to:

1. New Shared Savings Program ACOs that joined in 2015 or 2016. The AIM seeks to encourage uptake of coordinated, accountable care in rural geographies and areas where there has been little ACO activity, by offering pre-payment of shared savings in both upfront and ongoing per beneficiary per month payments. CMS believes that encouraging participation in areas of low ACO penetration may spur new markets to focus on improving care outcomes for Medicare beneficiaries.

2. ACOs that joined the Shared Savings Program starting in April 1, 2012, July 1, 2012, January 1, 2013, or January 1, 2014. Here, the AIM will help ACOs succeed in the Shared Savings Program and encourage progression to higher levels of financial risk, ultimately improving care for beneficiaries and generating Medicare savings.

Participants
AIM consists of 41 participating ACOs, including 2 existing ACOs previously selected and 39 ACOs selected for a 2016 start. Of the 39 ACOs selected for a 2016 start, 5 are 2015 Shared Savings Program starters and 34 are 2016 Shared Savings Program starters. The 39 new AIM participants serve approximately 381,000 beneficiaries across 34 states.

Number of Beneficiaries (new and existing ACOs): AIM participants serve a combined total of over 394,000 beneficiaries nationwide.

ACO Infrastructure (new ACOs): 25 ACOs report having a Critical Access Hospital (CAH) or Inpatient Prospective Payment System (IPPS) hospital with fewer than 100 beds as part of their ACO structure.

Geographic Coverage of AIM Participants (new and existing ACOs):

<table>
<thead>
<tr>
<th>South</th>
<th>Midwest</th>
<th>West</th>
<th>Northeast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>Illinois</td>
<td>California</td>
<td>Maine</td>
</tr>
<tr>
<td>Florida</td>
<td>Indiana</td>
<td>Colorado</td>
<td>New Hampshire</td>
</tr>
<tr>
<td>Georgia</td>
<td>Iowa</td>
<td>Idaho</td>
<td>Pennsylvania</td>
</tr>
<tr>
<td>Kentucky</td>
<td>Kansas</td>
<td>Montana</td>
<td>Vermont</td>
</tr>
<tr>
<td>Mississippi</td>
<td>Michigan</td>
<td>North Dakota</td>
<td></td>
</tr>
<tr>
<td>North Carolina</td>
<td>Minnesota</td>
<td>Oklahoma</td>
<td></td>
</tr>
<tr>
<td>South Carolina</td>
<td>Missouri</td>
<td>Oregon</td>
<td></td>
</tr>
<tr>
<td>Tennessee</td>
<td>Nebraska</td>
<td>South Dakota</td>
<td></td>
</tr>
<tr>
<td>Texas</td>
<td>Ohio</td>
<td>Washington</td>
<td></td>
</tr>
<tr>
<td>West Virginia</td>
<td>Wisconsin</td>
<td>Wyoming</td>
<td></td>
</tr>
</tbody>
</table>
Preliminary list of AIM ACOs:
(This list is not final, and will be finalized later this winter)

New AIM ACOs

1. Access Care Oklahoma, LLC
2. Affiliated ACO, LLC
3. Akira Health of Los Angeles Inc
4. Aledade Kansas ACO, LLC
5. Aledade Mississippi ACO, LLC
6. Aledade West Virginia ACO, LCC
7. Alliance ACO, LLC
8. AmpliPHY of Kentucky ACO LLC
9. AmpliPHY of Texas ACO LLC
10. Beacon Rural Health, LLC
11. Carolina Medical Home Network Accountable Care Organization LLC
12. Citrus County ACO, LLC
13. Healthcare Administration Suite LLC
15. Illinois Rural Community Care Organization LLC
16. Kentucky Primary Care Alliance Region 2 LLC
17. Missouri Health Plus, LLC
18. National Rural ACO 3 LLC
19. National Rural ACO 4 LLC
20. National Rural ACO 5 LLC
21. National Rural ACO 7 LLC
22. National Rural ACO 9 LLC
23. National Rural ACO 10 LLC
24. National Rural ACO 11 LLC
25. National Rural ACO 12 LLC
26. National Rural ACO 13 LLC
27. National Rural ACO 14 LLC
28. National Rural ACO 16 LLC
29. National Rural ACO 18 LLC
30. National Rural ACO 20 LLC
31. National Rural ACO 21 LLC
32. National Rural ACO 22 LLC
33. National Rural ACO 23 LLC
34. National Rural ACO 24 LLC
35. River Valley Rural ACO LLC
36. Texas Rural ACO LLC
37. Rocky Mountain Accountable Care Organization, LLC
38. San Juan Accountable Care Organization, LLC
39. Tar River Health Alliance, LLC

Existing AIM ACOs

1. Akira Health Inc.
2. Premier HealthCare Network LLC

Rural Location (new ACOs only):
The AIM encourages ACO development in rural and underserved areas. Of the 39 newly accepted participants,
31 have at least 65 percent of their delivery sites in rural areas, and 23 have 85 percent or more of their
delivery sites in rural areas.

Quality of Care (existing ACOs only): Both of the existing ACOs met or exceeded the median quality
performance rate compared to all ACOs on at least 70 percent of the most recent reported measures when
they applied.

Financial Performance (existing ACOs only): Of the 2 existing ACOs, 1 achieved their assigned financial
benchmark in their first performance year.

Structure of Payments

New ACOs (Start Date in 2015 or 2016)
Under the AIM, ACOs that began participating in the Shared Savings Program in 2015 or 2016 will receive
three types of payments:

- An upfront, fixed payment: Each ACO receives a fixed payment;
- An upfront, variable payment: Each ACO receives a payment based on the number of its assigned
beneficiaries; and
- A monthly payment of varying amount depending on the size of the ACO: Each ACO receives a monthly
payment based on the number of its assigned beneficiaries.

The structure of these payments addresses both the fixed and variable costs associated with forming an ACO.

Existing ACOs (April 1, 2012, July 1, 2012, January 1, 2013, or January 1, 2014 starters)
Under the AIM, ACOs that began participating in the Shared Savings Program on April 1, 2012, July 1, 2012,
January 1, 2013, or January 1, 2014 will receive two types of payments:

- An upfront, variable payment: Each ACO receives a payment based on the number of its assigned
beneficiaries; and
A monthly payment of varying amount depending on the size of the ACO: Each ACO receives a monthly payment based on the number of its assigned beneficiaries.

The structure of these payments addresses both the fixed and variable costs associated with making ongoing investments to improve care coordination for existing ACOs.

**Recovery of AIM Payments**
For existing ACOs (April 1, 2012, July 1, 2012, January 1, 2013, or January 1, 2014 Shared Savings Program starters)/CMS will recover the AIM payments through an offset of the ACO’s earned shared savings. ACOs selected to receive AIM payments entered into an agreement with CMS that details the obligation to repay AIM payments.

If the ACO does not generate sufficient savings to repay the AIM payments as of the first settlement for the Shared Savings Program, CMS will continue to offset shared savings in subsequent performance years and any future agreement periods, or pursue recovery where appropriate.

For ACOs that began participating in the Shared Savings Program in 2015 or 2016, CMS will recover payments from earned shared savings for as long as the participant remains in the Shared Savings Program. CMS will recover all pre-payments up to the total shared savings earned by the ACO, but will not pursue amounts in excess of the earned shared savings. Should an ACO not earn sufficient shared savings in the first Shared Savings Program agreement period to fully repay pre-payments, and should the ACO not enter a second Shared Savings Program agreement period, then CMS will not pursue full recovery of remaining pre-payments from that ACO. CMS will pursue full recovery of pre-paid shared savings from any ACO that does not complete its initial Shared Savings Program agreement period or the full term of the AIM agreement.

**Eligibility/Selection**
The AIM helps provide support to organizations whose ability to invest in infrastructure and redesigned care processes is improved with additional access to capital.

In order to be eligible for the AIM, an ACO must have met the following criteria:

1. The ACO must be accepted into and participate in the Shared Savings Program. The ACO’s first performance period in the Shared Savings Program must have started in April 1, 2012, July 1, 2012, January 1, 2013, January 1, 2014, January 1, 2015, or January 1, 2016.
2. The ACO has completely and accurately reported quality measures to the Shared Savings Program in the most recent performance year, if the ACO started in the Shared Savings Program in April 1, 2012, July 1, 2012, January 1, 2013, January 1, 2013, or January 1, 2014.
3. The ACO has a beneficiary assignment of 10,000 or fewer beneficiaries for the most recent quarter, as determined in accordance with the Shared Savings Program regulations, excluding ACOs that start in 2015 or 2016. An ACO that began participating in 2015 or 2016 must have a beneficiary assignment of 10,000 or fewer, unless they are serving a rural area.
4. The ACO does not include a hospital as an ACO participant or an ACO provider/supplier (as defined by the Shared Savings Program regulations), unless the hospital is a critical access hospital (CAH) or inpatient prospective payment system (IPPS) hospital with 100 or fewer beds.
5. The ACO is not owned or operated in whole or in part by a health plan.
6. The ACO did not participate in the Advance Payment ACO Model.

During the selection process, the AIM targeted new ACOs serving rural areas and areas of low ACO penetration and existing ACOs committed to moving to higher risk tracks. CMS gave preference to ACOs that provide high quality of care, ACOs that achieved their financial benchmark, ACOs that demonstrated exceptional financial need, and those that submitted compelling proposals for how they will invest both their own funds and CMS funds. Currently, there are no plans to open another application cycle and add more ACOs to this model.

Additional Resources

The CMS Innovation Center

The CMS Innovation Center was created by the Affordable Care Act to test innovative payment and service delivery models to reduce program expenditures while preserving or enhancing the quality of care for Medicare, Medicaid and Children's Health Insurance Program beneficiaries.

Working in concert with the Shared Savings Program, the CMS Innovation Center is testing a number of ACO models and has sponsored learning activities that help providers form ACOs and improve their results. More information on all of these initiatives is available on the CMS Innovation Center website at [http://innovation.cms.gov](http://innovation.cms.gov).

More information about the AIM, including the Request for Application, is available on the Innovation Center website at [http://innovation.cms.gov/initiatives/ACO-Investment-Model/](http://innovation.cms.gov/initiatives/ACO-Investment-Model/). Any questions about the program can be directed to AIM@cms.hhs.gov.

For information about the Shared Savings Program, please see: [www.cms.hhs.gov/sharedsavingsprogram/](http://www.cms.hhs.gov/sharedsavingsprogram/).

###

Get CMS news at [cms.gov/newsroom](http://cms.gov/newsroom), sign up for CMS news via email and follow CMS on Twitter [@CMSgov](http://twitter.com/CMSgov).