



# Managing Program Participation Guidance

March 2024 | Version 1



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## Introduction

The purpose of this document is to describe how currently participating Accountable Care Organizations (ACOs) can manage program participation in the Medicare Shared Savings Program (Shared Savings Program) within their current agreement period.

Currently participating ACOs can take the following actions during the annual Application and Change Request Cycle:

- Submit a Participation Options change request.
  - Elect to remain in a one-sided risk model for the remainder of the agreement period.
  - Elect to advance along the glide path from a one-sided risk model to a two-sided risk model and establish a repayment mechanism.
  - Select the Minimum Savings Rate (MSR)/Minimum Loss Rate (MLR) for the remaining duration of the ACO's agreement period (only for ACOs moving from one-sided to two-sided risk).
  - Change beneficiary assignment methodology.
- Modify the ACO Participant List by adding or deleting ACO participants.
- Apply for a Skilled Nursing Facility (SNF) 3-Day Rule Waiver and/or modify the SNF Affiliate List.
- Apply for a Beneficiary Incentive Program (BIP).

Please refer to [Key Change Request Cycle Actions and Deadlines](#) in the Knowledge Library and the [Application Types & Timelines](#) webpage to ensure change request submissions and other actions taken are submitted in a timely manner.

This guide is not intended for an ACO who is a renewal or early renewal applicant. For these ACOs, refer to the [Application Reference Manual](#). Please note that the following actions require an ACO to begin a new agreement period and cannot be completed as a change request cycle action:

- Moving from Level E of the BASIC track to the ENHANCED track.
- Moving from the ENHANCED track to Level E of the BASIC track.
- Changing MSR/MLR.

Information about the impacts of withdrawing an application can also be found in the [Application Reference Manual](#).

## HOW TO USE THIS RESOURCE

The *Managing Program Participation Guidance* provides guidance to help currently participating ACOs complete necessary and optional updates to their Shared Savings Program Participation Agreement. Additional resources can be found in the Knowledge Library tab in the [ACO Management System \(ACO-MS\)](#). In addition to this manual, please refer to the Shared Savings Program's regulations [42 CFR § 425](#) and discussions in the previous rulemaking of the program requirements, including in the [Shared Savings Program Calendar Year \(CY\) 2024 Physicians Fee Schedule Final Rule \(November 2023\)](#).

This document is designed to allow users to identify important action items and expectations, including which materials to submit for each submission deadline. Throughout this document, the following symbols highlight important information about resources and tips.



**Published Resource Available!** This icon appears throughout the manual when an existing published resource is available for further guidance.



**Tips for Success...** Reference these callouts for best practices and helpful reminders.

## Participation Options Change Requests

A Participation Options change request allows an ACO user to change the ACO's selected beneficiary assignment methodology, advance along the BASIC track's glide path, and for ACOs moving from a one-sided model to two-sided risk, to select the MSR/MLR for the ACO's agreement period. Eligible ACOs will also submit a Participation Options change request to make the election to remain in Level A of the BASIC track for the remainder of the agreement period. All Participation Options change requests must be submitted prior to the Phase 1 second request for information (RFI-2) submission deadline. Please refer to the [How to Manage Program Participation in ACO-MS](#) tip sheet for more information on how to make the submission in ACO-MS.



**Published Resource Available!**

- [Application Types and Timelines](#)
- [Key Change Request Cycle Actions & Deadlines](#)

## BENEFICIARY ASSIGNMENT METHODOLOGY AND ASSIGNMENT ESTIMATES

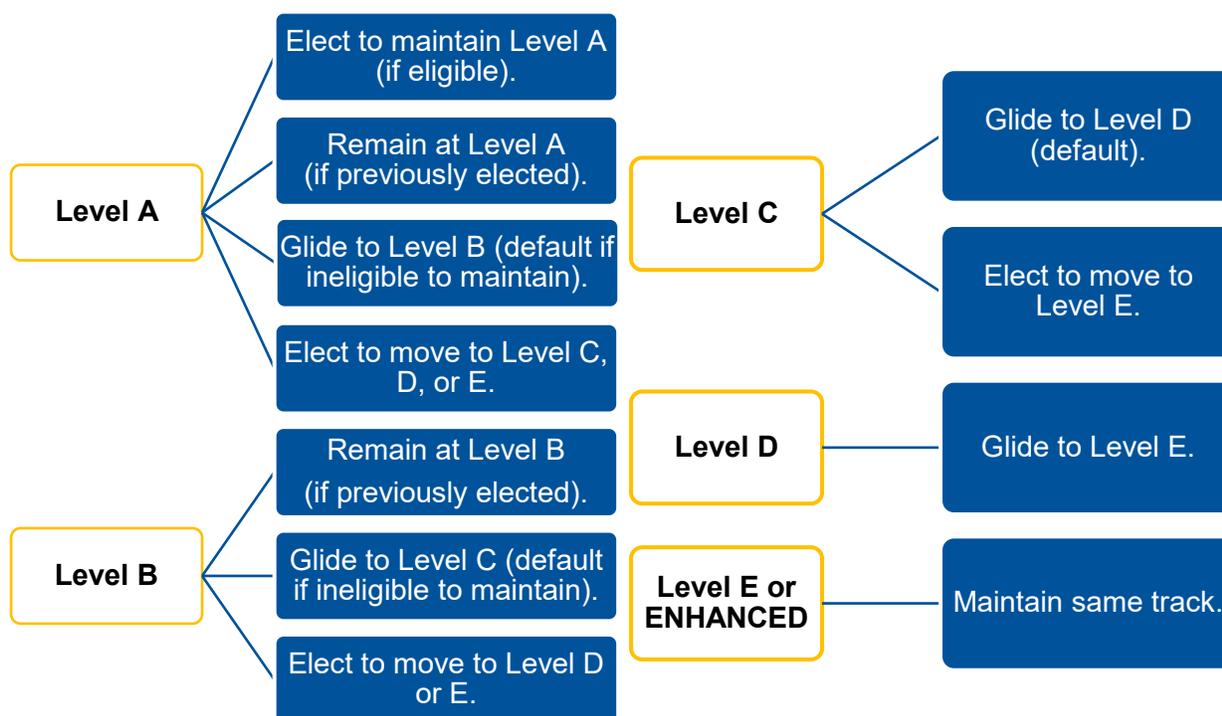
Currently participating ACOs may elect to change their beneficiary assignment methodology during the annual change request cycle. As a reminder, the two assignment methodologies (Prospective Assignment or Preliminary Prospective Assignment with Retrospective Reconciliation) are used by CMS to determine the population of beneficiaries for which an ACO is accountable.

CMS will provide ACOs with assigned beneficiary estimates for both methodologies throughout the annual application and change request cycle via the *Participation Options Report*, found within the Reporting Tab in ACO-MS. These estimates are initially provided at the ACO participant level and for both assignment methodologies; however, at the time of Phase 1 Dispositions, CMS will provide the assignment counts at the ACO level and for the ACOs' selected assignment methodology only. More information can be found in the [Beneficiary Assignment Estimates in ACO-MS](#) tip sheet.

## TRACK SELECTION OPTIONS FOR CURRENTLY PARTICIPATING ACOs

Initial track eligibility for currently participating ACOs for the next performance year will be determined by the ACO's track selection from the preceding performance year. A currently participating ACO on the BASIC track's glide path will automatically advance (or "glide") to the next level by default. However, during the annual change request cycle, the ACO has the option to move to a higher level of the glide path than the level to which the ACO would otherwise automatically advance. A subset of currently participating ACOs that are inexperienced with performance-based risk may also elect to maintain participation in Level A of the BASIC track for the remainder of their agreement period.

The diagram below displays the participation options available to currently participating ACOs for the next performance year based on their track/level for the current performance year. The yellow boxes display the ACO's track/level in the current performance year. The blue boxes display the participation options available for the next performance year. For example, an ACO currently participating in Level A of the BASIC track may be eligible to remain in Level A, automatically advance (or glide) to Level B, or elect to move to Level C, D, or E. More information on how ACOs can select the additional options can be found in the sections below.



## ADVANCING ALONG THE GLIDE PATH

ACOs participating in the BASIC track's glide path will automatically advance at the start of the next performance year to the next level along with the progression of risk/reward levels or may elect to move more quickly to a higher level of risk/reward over the course of their agreement period.

The only **exception** is ACOs that elect to maintain participation in a one-sided model of the BASIC track for the remainder of their agreement period.

- An ACO that is participating in Level A in the current performance year will automatically advance to Level B, but the ACO can elect to remain in Level A via the submission of a Participation Options change request.
- An ACO that made the election to remain in Level A in a previous performance year does not need to take further action on an annual basis, because the ACO will not advance automatically in performance years after the election is made. However, the ACO can still elect to advance to a higher level of the BASIC track by submitting a Participation Options change request.

Refer to the "[Election to Maintain Participation in a One-Sided Model](#)" section below for additional information.

## Moving from Level A to Level B or Moving within Two-Sided Risk

The following two groups of ACOs automatically advancing along the glide path will **not** need to submit a Participation Options change request:

- ACOs automatically advancing from Level A to Level B.
- ACOs automatically advancing within two-sided risk (i.e., from Level C to Level D or from Level D to Level E).

## Moving from Level B to Level C

ACOs automatically advancing from Level B (a one-sided risk model) to Level C (a two-sided risk model) **must submit** a Participation Options change request to advance to Level C and to select their MSR/MLR for the agreement period. The Participation Options change request will be automatically generated for these ACOs and will be available via the Dashboard in ACO-MS.

This action will require ACOs to submit the necessary documentation to establish an adequate repayment mechanism.

## Voluntarily Elect to Move to a Higher Level of Risk/Reward

Additionally, ACOs in the BASIC track's glide path that want to voluntarily elect to move to a higher level of risk/reward than would normally apply (e.g., Level A to Level C, or Level C to Level E) must submit a Participation Options change request to initiate this change.

If the ACO is moving from a one-sided risk model to a two-sided risk model, this action will require ACOs to submit the necessary documentation to establish an adequate repayment mechanism (refer to the [Repayment Mechanism Arrangements Guidance](#) for more information).

## ELECTION TO MAINTAIN A PARTICIPATION IN A ONE-SIDED MODEL

A **subset** of currently participating ACOs that are inexperienced with performance-based risk may elect to maintain participation in a one-sided model for the remainder of their agreement period.

- Per [42 CFR § 425.600\(a\)\(4\)\(i\)\(B\)\(2\)\(vii\)](#), ACOs participating in Level A or B of the BASIC track that started their agreement period **prior to January 1, 2024**, previously had the option to elect to maintain participation in the same level for the remainder of their

agreement period. These ACOs do not need to take any action as part of the change request cycle to remain in a one-sided model because they have already made the election.

- Per [42 CFR § 425.600\(a\)\(4\)\(i\)\(C\)\(3\)](#), ACOs participating in Level A of the BASIC track that started their agreement period **on or after January 1, 2024**, have the option to elect to maintain participation in Level A for the remainder of their current agreement period.
  - **This election must be made during the annual change request cycle prior to the ACO's second performance year.**
  - To make this election, ACOs must submit a Participation Options change request by the deadline of Phase 1 RFI-2 of the change request cycle. More information about important deadlines can be found in the *Key Change Request Cycle Actions & Deadlines* tip sheet, available in the Knowledge Library tab in [ACO-MS](#), as well as on the [Application Types & Timelines webpage](#).

## WITHDRAWING A PARTICIPTION OPTIONS CHANGE REQUEST

If the ACO no longer wants to make the change(s) included in a Participation Options change request and CMS has not yet issued a disposition, the ACO can withdraw the request in the Active Pending Disposition subtab of the Change Request tab.

Participation Options change requests cannot be edited once submitted. ACOs must therefore withdraw the pending Participation Options change request before submitting a new Participation Options change request with the updated selections. An ACO automatically transitioning to two-sided risk cannot withdraw their pending Participation Options change request unless they are terminating from the Shared Savings Program. Withdrawing a Participation Options change request to transition to two-sided risk will automatically withdraw the repayment mechanism task and/or a SNF 3-Day Rule Waiver application.

Once CMS has issued a disposition, ACOs will not be able to withdraw the request.



### Published Resource Available!

- [How to Manage Program Participation in ACO-MS](#) tip sheet
- [Repayment Mechanism Agreement Guidance](#)

## Modifications to the ACO Participant List

During the annual change request cycle, ACOs may modify their ACO Participant List by adding or deleting ACO participants. The ACO Participant List, including any changes made during the annual change request cycle, is a primary factor in determining how ACOs are able to participate in the Shared Savings Program—both initially and as they continue participation during an agreement period. Changes to the ACO Participant List can affect an ACO's revenue determination as well as whether an ACO is determined to be experienced with performance-based risk, amongst other factors. These changes can be tracked throughout the change request cycle via the Participation Options Report, which is released at each request for information (RFI) and final disposition, and is found within the application cycle subtab in ACO-MS. All changes made to the ACO Participant List are effective at the start of the next performance year.

The final opportunity to **add** new ACO participants is during the Phase 1 first request for information (RFI-1) submission period. The final opportunity to **delete** ACO participants is during the Phase 1 RFI-2 submission period.

#### Published Resource Available!



- [Application Types & Timelines](#)
- [Key Change Request Cycle Actions & Deadlines](#)
- [ACO Participant List and Participant Agreement Guidance](#)
- [Adding ACO Participants & SNF Affiliates in ACO-MS](#) tip sheet

### SNF 3-Day Rule Waiver and SNF Affiliate List

During the annual change request cycle, ACOs currently participating in or transitioning to a two-sided risk model (Levels C, D, or E of the BASIC track, or the ENHANCED track) may apply for a SNF 3-Day Rule Waiver, and ACOs with an existing SNF 3-Day Rule Waiver may modify their SNF Affiliate List.

To apply for a SNF 3-Day Rule Waiver, ACOs must complete a separate application during Phase 1. ACOs wishing to apply for a new SNF 3-Day Rule Waiver can do so from the Agreement Details subtab. Refer to the [How to Manage Program Participation in ACO-MS](#) tip sheet.

For ACOs with an existing SNF 3-Day Rule Waiver, all approved change requests to add a SNF affiliate to the SNF Affiliate List are effective at the start of the next performance year, which begins on January 1<sup>st</sup>.

#### Published Resource Available!



- [SNF 3-Day Rule Waiver Guidance](#)
- [Adding ACO Participants & SNF Affiliates in ACO-MS](#) tip sheet

### Beneficiary Incentive Program (BIP)

During the annual change request cycle, ACOs currently participating in or transitioning to a two-sided risk model (Levels C, D, or E of the BASIC track, or the ENHANCED track) may apply to operate a BIP. To apply for a BIP, ACOs must complete a separate BIP application during Phase 2.

#### Published Resource Available!



- [Beneficiary Incentive Program Guidance](#)

## Requests for Information (RFIs)

ACOs will receive an opportunity to correct deficiencies and/or make updates or modifications to the ACO's change request(s) during two rounds of RFI submission periods in Phase 1 and one RFI period in Phase 2. RFIs give ACOs the opportunity to correct deficiencies and/or make updates or modifications to their change request(s) or applications. RFIs are issued in ACO-MS, and ACOs must respond to RFIs in ACO-MS.

### RFI TYPES AND AVAILABLE ACTIONS

There are several possible RFI types during Phase 1. These will appear as separate tasks in the ACO Dashboard:

- Beneficiary assignment estimate falling under a total of 5,000 beneficiaries
- Change requests for ACO participants
- SNF 3-Day Rule Waiver application and change requests for SNF affiliates
- Participation Options change requests
- Repayment Mechanism

### Phase 1 RFI-1 Important Information

- Last opportunity to add an ACO participant or SNF affiliate
- Last opportunity to make the election to add a SNF 3-Day Rule Waiver

### Phase 1 RFI-2 Important Information

- Last opportunity to withdraw or delete an ACO participant
- Last opportunity to withdraw a SNF affiliate change request
- Last opportunity to submit a Participation Options change request

### Phase 2 RFI Important Information

- Only opportunity to make updates to BIP application



#### Published Resource Available!

- [Requests for Information in ACO-MS](#) tip sheet

## PARTICIPATION OPTIONS REPORT

CMS provides all ACOs with a *Participation Options Report* with the release of each Phase 1 RFI and at Phase 1 Dispositions that is applicable for the upcoming performance year. ACOs should review this report to understand program participation eligibility. This report is also designed to help ACOs evaluate future participation options. ACOs should review this report to understand how continued program eligibility may change as a result of change request submissions.

Currently participating ACOs will receive an updated *Participation Options Report* even if no actions are taken during the change request cycle.

The *Participation Options Report* is released via ACO-MS at the beginning of each Phase 1 RFI submission window and at Phase 1 Dispositions. The report is available for download in the Reporting tab of ACO-MS, and key summary information can be found in the Application Cycle subtab of the My ACOs tab. Additional information can be found via the data dictionary that will be available via an information bubble in both the Application Cycle subtab and the Reporting tab.

The following tabs of the report include information relevant for currently participating ACOs:

### 40% RISK CHECK

Provides ACOs with information on whether the ACO meets the definition of experienced or inexperienced with performance-based risk Medicare ACO initiatives (defined at [42 CFR § 425.20](#)) based on the latest version of the proposed ACO Participant List for the upcoming performance year.



**Tip:** ACOs participating in a one-sided model, including ACOs receiving advance investment payments, should pay close attention to the 40% Risk Check tab for compliance monitoring purposes. The Participation Options Report will indicate if an ACO becomes experienced with performance-based risk as a result of modifications to their ACO Participant List.

If CMS determines that an ACO in a one-sided model is experienced with performance-based risk, CMS will contact the ACO with a compliance action. More information can be found in the Monitoring of ACOs Inexperienced with Performance-Based Risk section below and review [How to Use Application Subtab and Participation Options Report in ACO-MS](#) tip sheet.

### REVENUE – REPAYMENT MECHANISM

Provides information about estimated and final repayment mechanism amounts for currently participating ACOs establishing a new repayment mechanism when transitioning from a one-sided risk model to a two-sided risk model.

The tab also provides the high and low revenue determination.



**Tip:** An ACO that is receiving advance investment payments and will be entering the second year of its initial agreement period in the upcoming performance year must maintain its status as a low-revenue ACO in order to continue receiving advance investment payments. Refer to the [Advance Investment Payments Guidance](#) for additional information.



**Tip:** For a currently participating ACO in a two-sided model within an agreement period, this tab provides information that the ACO can use to predict whether an increase to the ACO's existing repayment mechanism may be required because the recalculated amount (based on the proposed ACO Participant List for the next performance year) is more than \$1 million higher than the existing amount ([42 CFR § 425.204\(f\)\(4\)\(iii\)](#)).

However, this calculation is not performed and finalized until after the application and change request cycle is completed. If an increase to the ACO's existing repayment mechanism amount is required, CMS will notify the ACO after the annual change request cycle is complete. ACOs have no required action to increase their existing repayment mechanism amount unless or until CMS contacts them.

## BENEFICIARY ASSIGNMENT ESTIMATE

Provides ACOs with assigned beneficiary estimates for the upcoming performance year at the ACO level and the individual ACO participant taxpayer identification number (TIN) level. In the RFI versions of the report, rows for proposed and currently participating ACO participant TINs and rows at the ACO level, which summarize beneficiary-level estimates across all TINs, will be displayed. Values in the ACO-level rows reflect ACO participants after accounting for all deficiencies (deficiency information is provided for all ACO participants). More information can be found in the Data Dictionary, found within the Application Cycle subtab



**Tip:** ACOs are strongly encouraged to monitor the estimated number of assigned beneficiaries for the upcoming performance year, especially if the estimate is close to 5,000.

Currently participating ACOs must continue to meet the minimum requirement of 5,000 assigned beneficiaries for the upcoming performance year to continue eligibility for the Shared Savings Program. If the ACO falls below the 5,000-beneficiary minimum, it may be subject to a compliance action.

## AIP ESTIMATE

Provides ACO participant TIN-level and ACO-level information related to AIP. An ACO that is receiving advance investment payments and will be entering the second year of its agreement period in the upcoming performance year will receive updated quarterly advance investment payment estimates reflecting any changes made to the ACO Participant List and/or the ACO's assigned beneficiary population.

Additionally, the AIP Estimate tab provides all currently participating ACOs (including those not participating in AIP) with information on the proportions of the ACO's assigned beneficiary population that are (a) enrolled in the Medicare Part D Low Income Subsidy (LIS) or dually eligible for Medicare or Medicaid or (b) residing in a census block group with an Area Deprivation Index (ADI) national percentile rank of at least 85. These estimates provide ACOs with information relevant to the health equity adjustment applied to an eligible ACO's quality score (for more information on the health equity adjustment, refer to [42 CFR § 425.512\(b\)](#)).

## ACO SUMMARY

Combines information presented in other tabs to summarize an ACO's participation options and program eligibility.

Key fields for currently participating ACOs include:

Currently Participating ACO Cohort	ACO Summary Tab Field(s)
All one-sided risk model ACOs	Estimated Prior Risk Participation
	Experienced with Risk
	Action Needed to Address Track/Level Eligibility
ACOs receiving advance investment payments	Revenue Percentage
	High/Low Revenue
	Eligible for AIP Based on Most Recent Eligibility Checks
	Estimated Quarterly Advance Investment Payment
ACOs transitioning from a one- to two-sided risk model	Repayment Mechanism Amount
	Repayment Mechanism Amount Action Required
All ACOs	Beneficiary Assignment Estimates



**Published Resource Available!**

- [How to Use Application Subtab and Participation Options Report in ACO-MS tip sheet](#)
- [Advance Investment Payments Guidance](#)

### BASIC Track Glide Path Eligibility Across Agreement Periods

A currently participating ACO’s eligibility to maintain participation in the BASIC track’s glide path is determined by whether the ACO is inexperienced with performance-based risk and the ACO’s history of participation in the BASIC track ([42 CFR § 425.600\(q\)](#)).

The table below provides additional details about the participation options and eligibility criteria for a currently participating ACO participating in Level A or B.

ACO experienced or inexperienced with performance-based risk Medicare ACO initiatives	BASIC Track Participation History	Participation Options	
		Next Agreement Period	Future Agreement Periods
Inexperienced – BASIC track Level A or B	Currently in <b>first</b> agreement period in BASIC track	A, B, C, D, E	Remain in Level E or move to ENHANCED track
Inexperienced – BASIC track Level A or B	Currently in <b>second</b> agreement period in BASIC track	Move to Level E or ENHANCED track	Remain in or move to Level E/ENHANCED track

For the purpose of determining an ACO’s participation history in the BASIC track, an ACO that **enters** an agreement under the BASIC track's glide path at either Level A or Level B is deemed

to have **completed** a BASIC track glide path agreement period. Refer to the two examples below:

- Example 1: An ACO that began an agreement period as a new legal entity (no prior Shared Savings Program participation) and participated in Level A of the BASIC track and then subsequently decided to early renew at the completion of their first performance year, would be eligible to participate in the BASIC track's glide path for a second agreement period. This hypothetical ACO is represented in the first row in the table above.
- Example 2: An ACO that began an agreement period as a new legal entity (no prior Shared Savings Program participation), participated in Level A of the BASIC track, and then subsequently decided to early-renew at the completion of their first performance year would be able to participate in the BASIC track glide path during the second agreement period. If the ACO submits another early renewal application during that first performance year of their second agreement period (participating in Level A), the ACO would **not** be eligible to participate in the BASIC track's glide path for a third agreement period, despite still being inexperienced with performance-based risk. The ACO would be required to participate in either Level E of the BASIC track or the ENHANCED track. This hypothetical ACO is represented in the second row in the table above.

Prior participation in Tracks 1, 2, and 3 and the Track 1+ Model impact whether the ACO is experienced with performance-based risk, which impacts the ACO's eligibility for participation in the BASIC track. However, the determination of the **number** of BASIC track agreement periods for which an ACO is eligible only includes agreement periods starting on or after July 1, 2019. Earlier agreement periods where ACOs participated in Tracks 1, 2, and 3 and the Track 1+ Model are not reflected in this determination. Refer to the example below:

- Example 3: An ACO participating in Level A or B and that previously participated as a Track 1 ACO in one or more agreement periods that began prior to July 1, 2019, would be able to participate in the BASIC track glide path for one additional agreement period because the Track 1 participation would not impact the ACO's eligibility to participate in the BASIC track for a second agreement period. Similarly, if a re-entering ACO is determined to have previously participated as a Track 1 ACO, the prior ACO's participation in Track 1 does not impact the re-entering ACO's eligibility to participate in the BASIC track's glide path for a second agreement period.

A currently participating ACO that becomes experienced with performance-based risk may not participate in a one-sided level.

## **Monitoring of ACOs Inexperienced with Performance-Based Risk**

Pursuant to [42 CFR § 425.600\(h\)\(1\)](#), ACOs that are inexperienced with performance-based risk and participating in Level A or B of the BASIC track are subject to monitoring by CMS to determine whether changes to their ACO Participant List during the annual change request cycle cause the ACO to be considered experienced with performance-based risk and therefore ineligible for participation in a one-sided model. If so, the ACO would be permitted to complete the performance year for which it met the definition of experienced with performance-based risk

but would be ineligible to continue in a one-sided model if the ACO continues to be experienced with performance-based risk in the following performance year.

An ACO should carefully consider how changes to their ACO Participant List may affect their participation options. As an example, consider an ACO that began an agreement period on January 1, 2024, and participated in Level A of the BASIC track. During the Performance Year (PY) 2025 Change Request Cycle, the ACO could maintain one-sided model participation via automatic advancement on the glide path (to Level B) or by electing to maintain participation in Level A for the remainder of the ACO's agreement period (through PY 2028). But if changes made to the ACO Participant List for PY 2025 cause the ACO to be experienced with performance-based risk for PY 2025, the ACO can continue in a one-sided model for PY 2025 and then would be automatically advanced to Level E of the BASIC track in PY 2026, unless the ACO is determined to be inexperienced with risk based on the ACO Participant List submitted during the PY 2026 Change Request Cycle.

Additionally, if the ACO in the example above had elected to maintain participation in Level A for the remainder of the ACO's agreement period but was determined to be experienced with risk in a later performance year (e.g., PY 2026), the ACO would be subject to the monitoring described in this section.

Refer to the table below for an illustration of this hypothetical example.

Performance Year	Risk Experience Determination	BASIC Track Level
PY 2024	Inexperienced	Level A
PY 2025	Experienced	Level A or B
PY 2026	Inexperienced	Level A or C
	Experienced	Level E

During the annual change request cycle RFI rounds, ACOs will receive information on their track eligibility and any action needed to address all eligibility concerns via the *Participation Options Report* and the Application cycle subtab in ACO-MS.