

# Accountable Care

# Organization (ACO)

# Performance Guarantees (PGs) **Standardized Plan ACO Reporting for Customers (SPARC)**

**PURPOSE**

These ACO Performance Guarantees may be used by the employer-purchaser customer (“Company”) when either:

* Entering into or already having an agreement with the health plan (“Administrator”) where employees and dependents (“Plan Participants”) are attributed to an ACO (“attribution model ACO”), or;
* Entering into or already having an ACO agreement with the Administrator where Plan Participants elect into an ACO product (“product model ACO”).

This document contains placeholders for the percentage of fees at risk, which the Company will want to consider alongside percentage of fees at risk for its other, non-ACO related Performance Guarantees.

**Note: This document can be provided directly to the Administrator when requesting specific ACO Performance Guarantees, however, we recommend replacing the red text in this document with Company’s specifics to set a baseline prior to sharing it with the Administrator.**

Disclaimer: These Performance Guarantees are provided for informational purposes only. Before Company makes any decisions as to whether to use these Performance Guarantees in whole or in part and to understand any legal or financial implications of doing so, Company should consult with qualified professionals (e.g. legal, finance) for specific advice tailored to its situation.

**Summary Table of [Company’s] ACO Performance Guarantee**

Below is a summary table of [Company’s] ACO Performance Guarantees. For more detail, proceed to the pages below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Performance Guarantee** | **Fees at Risk** | **Standard** | **Result** | **Funds Owed to [Company]** |
| 1. **Shared Risk[[1]](#footnote-1) ACO Penetration** | | | | |
| a. Percent of contracted ACOs in shared risk arrangements | X% of Medical Administration Services Only (ASO) Fees at Risk | >X% |  |  |
| b. Percent of plan participants receiving care from providers in a shared risk ACO | X% of Medical ASO Fees at Risk | >X% |  |  |
| c. Percent increase of plan participants in a shared risk ACO | X% of Medical ASO Fees at Risk | >X% |  |  |
| 1. **Patient Reported Experience of Care** | | | | |
| a. Use of CAHPS ACO-9 Survey for Accountable Care Organizations | X% of Medical ASO Fees at Risk | >X% |  |  |
| b. Results of CAHPS ACO-9 Survey for Accountable Care Organizations | X% of Medical ASO Fees at Risk | >X% Above Average |  |  |
| 1. **ACO Reporting** | | | | |
| a. Completion of the Standard Plan ACO Report | X% of Medical ASO Fees at Risk | <60 days |  |  |
| **Total** | **X%** | **N/A** | **N/A** | **$X** |

1. **Shared Risk[[2]](#footnote-2) ACO Penetration**

Rationale: Administrators often establish shared savings arrangements with ACO providers as an initial stepping stone toward greater financial accountability for patient care. As Administrators partner with ACOs to manage cost and improve quality, employer-purchasers should encourage their Administrator(s), as appropriate, to evolve their ACO contracts into shared risk arrangements, where the provider is at financial risk for managing cost and quality.

1. **Percent of contracted ACOs in shared risk arrangements**

|  |  |  |  |
| --- | --- | --- | --- |
| **PG Objective** | **PG Measurement** | **Measurement and Reporting Period** | **% of Fees At Risk** |
| X% of contracted ACOs with a shared risk arrangement. | Numerator: Total number of contracted ACOs with a shared risk payment arrangement.  Denominator: Total number of contracted ACOs. | Results reported on an annual basis.  Any penalties owed to [Company] shall be paid out on an annual basis.  Administrator shall report results within 120 calendar days after the Plan Year. | X% of Medical Administration Services Only (ASO) Fees at Risk |

1. **Percent of Plan Participants receiving care from providers in a shared risk ACO**

|  |  |  |  |
| --- | --- | --- | --- |
| **PG Objective** | **PG Measurement** | **Measurement and Reporting Period** | **% of Fees At Risk** |
| X% of Plan Participants (employees and dependents) shall receive care from ACOs in a shared risk arrangement, upon agreement and execution of marketing and communications efforts to members profiling specific ACOs and/or a more attractive benefit design to encourage participation. | Numerator: Number of Plan Participants in a shared risk ACO and with at least X interaction(s) with the ACO.  \*An interaction is either a provider visit or a personal outreach by the ACO.  Denominator: Number of Plan Participants in an ACO (both shared risk and not shared risk) and with at least X interaction(s) with the ACO. | Results reported on a [annual/biannual] basis.  Any penalties owed to [Company] shall be paid out on an annual basis.  Administrator shall report results within 60 calendar days after the Measurement Period. | X% of Medical Administration Services Only (ASO) Fees at Risk |

1. **Percent increase of Plan Participants in a shared risk ACO**

|  |  |  |  |
| --- | --- | --- | --- |
| **PG Objective** | **PG Measurement** | **Measurement and Reporting Period** | **% of Fees At Risk** |
| Year 0 (Baseline): X% of Plan Participants in a shared risk ACO.  Year 1: X% increase in Plan Participants in a shared risk ACO.  Year 2: X% increase in Plan Participants in a shared risk ACO.  Year 3: X% increase in Plan Participants in a shared risk ACO.  Upon agreement and execution of marketing and communications efforts to members profiling specific ACOs and/or a more attractive benefit design to encourage participation. | For each year, calculate percent of Plan Participants in a shared risk ACO as follows:  Numerator: Number of Plan Participants in a shared risk ACO and with at least X interaction(s) with the ACO.  \*An interaction is either a provider visit or a personal outreach by the ACO.  Denominator: Number of Plan Participants in an ACO (both shared risk and not shared risk) and with at least X interaction(s) with the ACO.  Current year divided by prior year minus 1 equals the percent increase year over year for Plan Participants in a shared risk ACO. | Results reported on an annual basis.  Any penalties owed to [Company] shall be paid out on an annual basis.  Administrator shall report results within 120 calendar days after the Plan Year. | X% of Medical Administration Services Only (ASO) Fees at Risk |

1. **Patient Reported Experience of Care**

Rationale: In discussions with Administrators, CPR has learned that it is not yet widespread that they measure patient experience of care as part of assessing ACO performance. CPR’s hope is that use of these measures becomes an industry standard. Until then, CPR recommends that employer-purchasers require Administrators to measure patient experience of care.

1. **Use of CAHPS ACO-9 Survey for Accountable Care Organizations**

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| --- | --- | --- | --- |
| **PG Objective** | **PG Measurement** | **Measurement and Reporting Period** | **% of Fees At Risk** |
| Administrator will either require the ACO to send or will itself directly send CAHPS ACO-9 Survey to X% of Plan Participants who received care from an ACO. | Numerator: Number of Plan Participants who received the CAHPS ACO-9 Survey from the ACO or Administrator.  Denominator: Number of Plan Participants who received care at an ACO provider. | Results reported on a [annual/biannual] basis.  Any penalties owed to [Company] shall be paid out on an annual basis.  Administrator shall report results within 60 calendar days after the Measurement Period. | X% of Medical Administration Services Only (ASO) Fees at Risk |

1. **Results of CAHPS ACO-9 Survey for Accountable Care Organizations**

|  |  |  |  |
| --- | --- | --- | --- |
| **PG Objective** | **PG Measurement** | **Measurement and Reporting Period** | **% of Fees At Risk** |
| At least x% of Plan Participants who received care from an ACO will report above average experience with care in response to the CAHPS ACO-9 Survey. | Numerator: Number of Plan Participants who accessed care at an ACO provider, completed the CAHPS ACO-9 Survey for ACOs, and rated their experience as above average.  Denominator: Number of Plan Participants who accessed care at an ACO provider and completed the CAHPS ACO-9 Survey for ACOs. | Results reported on a [annual/biannual] basis.  Any penalties owed to [Company] shall be paid on an annual basis.  Administrator shall report results within 120 calendar days after the Plan Year. | X% of Medical Administration Services Only (ASO) Fees at Risk |

1. **ACO Reporting**

Rationale: Administrators currently provide limited reporting as it relates to their ACO arrangements, including the cost and quality performance as well as utilization metrics. Catalyst for Payment Reform (CPR) recommends that employer-purchasers adopt the Standard Plan ACO Report to request ACO performance data from Administrators and insist on a Performance Guarantee related to Administrators delivering the completed report in a regular and timely manner.

1. **Completion of** Standard Plan ACO Report

|  |  |  |  |
| --- | --- | --- | --- |
| **PG Objective** | **PG Measurement** | **Measurement and Reporting Period** | **% of Fees At Risk** |
| Administrator shall deliver the completed Standard Plan ACO Report to [Company] within 60 days of the end of the reporting period. | Completed report delivered electronically or in a meeting format within 60 days of the end of the reporting period. | Results reported on a [annual/biannual] basis.  Any penalties owed to [Company] shall be paid out on an annual basis. | X% of Medical Administration Services Only (ASO) Fees at Risk |

1. ***Shared risk*** refers to arrangements in which providers accept some financial liability for not meeting specified financial targets. It may also include arrangements in which providers accept some financial liability for not meeting specified quality targets. Examples include: loss of bonus; baseline revenue loss; or loss for costs exceeding global or capitation payments; withholds that are retained and adjustments to fee schedules. [↑](#footnote-ref-1)
2. ***Shared risk*** refers to arrangements in which providers accept some financial liability for not meeting specified financial targets. It may also include arrangements in which providers accept some financial liability for not meeting specified quality targets. Examples include: loss of bonus; baseline revenue loss; or loss for costs exceeding global or capitation payments; withholds that are retained and adjustments to fee schedules. [↑](#footnote-ref-2)