Dually Eligible Beneficiary Assignment

Frequently Asked Questions

Q: *My state has entered into a partnership with the Centers for Medicare & Medicaid Services (CMS) in the Financial Alignment Demonstration (Demonstration) designed to give dually-eligible beneficiaries a more coordinated and person-centered care experience. Does CMS consider this Demonstration to be an overlapping Medicare initiative involving shared savings?*

A: CMS does not consider this Demonstration to be an overlapping shared savings initiative under 42 CFR 425.114(a) because under the Demonstration, CMS is entering into a partnership with the state, not the provider.

Q: *Can my ACO participant TIN participate in both the Financial Alignment Demonstration (Demonstration) and the Medicare Shared Savings Program?*

A: Yes, providers can generally participate in the Medicare Shared Savings Program while also working with their state through the Demonstration.

Q: *Does my state's participation in the Financial Alignment Demonstration (Demonstration) have implications for my ACO's assigned population?*

A: Yes. States participating in the Financial Alignment Demonstration may choose to use either a capitated model or a managed fee-for-service care model. The two models have different implications for your ACO's assigned population.

1) Capitated Model: Under the Medicare Shared Savings Program rules, dually-eligible beneficiaries participating in a state's capitated model will no longer meet the Shared Savings Program definition of a Medicare fee-for-service beneficiary (42 CFR 425.20) and therefore these beneficiaries become ineligible for assignment to an ACO participating in the Shared Savings Program (42 CFR 425.400(a)).

2) Managed Fee-For-Service Model: The Medicare Shared Savings Program final rule stated that CMS would determine an appropriate method to avoid duplicate payments for beneficiaries assigned to other shared savings programs or initiatives. This includes initiatives involving dually-eligible beneficiaries, when such other shared savings programs have an assignment methodology that's different from the Shared Savings Program (42 CFR 425.114(c)). Dually-eligible beneficiaries from states participating in the managed fee for-service model continue to meet the Shared Savings Program definition of a Medicare fee-for-service beneficiary, so they're still eligible for assignment to an ACO on that basis. However, to promote continuity of care and ensure that individuals are assigned to the most integrated care models possible, beneficiaries in states participating in the Demonstration will be assigned to the Financial Alignment Demonstration if the Demonstration has a start date that's the same or earlier than the ACO's start date in the Shared Savings Program. If a beneficiary has appeared on a preliminary prospective or quarterly updated assignment list of an ACO that's participating in the Shared Savings Program, the beneficiary will remain

assigned to the ACO as long as the beneficiary continuously gets most of his or her primary care services from ACO providers/suppliers participating in the ACO.

Q: Which states participate in the Financial Alignment Demonstration (Demonstration)?

A: As of October 2012, Massachusetts and Washington have approved Memoranda of Understanding (MOU) to participate in the Financial Alignment Demonstration beginning in 2013. Massachusetts has elected to use a capitated model. Washington has chosen to implement a managed fee-for-service model in 2013, and is seeking approval to implement a capitated model in some areas in 2014. More states are expected to participate in the Demonstration over time. You can learn more about the Demonstration and see proposals submitted by other states by visiting our Financial Alignment Initiative Web page.

Q: My ACO's assigned population is very near the required 5,000 beneficiaries. What happens if my state's decision to participate in the Financial Alignment Demonstration (Demonstration) causes my ACO's assigned population to fall below 5,000 beneficiaries?

A: If your ACO's number of assigned beneficiaries falls below 5,000, your ACO will be placed on a corrective action plan (42 CFR 425.110(b)). ACOs will be assessed at the end of each performance year to determine whether they continue to meet the requirement that they have at least 5,000 fee-for-service beneficiaries assigned to it (42 CFR 425.110(a)). If you're concerned that your state's decision to participate in the Demonstration may cause your assigned beneficiary population to fall below 5,000, we recommend you consider inviting additional ACO participants that bill for primary care services to join your ACO. Adding ACO participant TINs to your ACO may lead to the assignment of enough additional fee-for-service beneficiaries to keep your assigned population above 5,000 beneficiaries.