



## **Next Generation Accountable Care Organization (NG ACO) – All Inclusive Population Based Payment (AIPBP) Implementation**

MLN Matters Number: SE17011

Related Change Request (CR) Number: N/A

Article Release Date: April 20, 2017

Effective Date: January 1, 2017

Related CR Transmittal Number: N/A

Implementation Date: January 3, 2017

### **PROVIDER TYPES AFFECTED**

---

This MLN Matters Article is intended for physicians, hospitals, and other providers who are participating in Next Generation Accountable Care Organization (NGACO) Model and submitting claims to Medicare Administrative Contractors (MACs) under the All-Inclusive Population Based Payment (AIPBP) alternate payment mechanism for certain services for Medicare beneficiaries.

### **PROVIDER ACTION NEEDED**

---

Special Edition (SE) article SE17011 reminds providers of the implementation of the AIPBP payment mechanism for participating ACOs.

### **BACKGROUND**

---

The NGACO Model offers ACOs the option to participate in a payment mechanism called AIPBP under which the ACO takes on responsibility for entering into payment arrangements with its providers and paying claims, in place of claims being paid by Medicare's Fee-For-Service (FFS) systems. The goal of AIPBP is to establish a monthly cash flow for AIPBP-participating ACOs and a mechanism for ACOs to enter payment arrangements with Next Generation Participants and Preferred Providers. Conceptually, AIPBP builds on population-based payments (PBP) in the Pioneer ACO Model and available in the NGACO Model, but enables even greater flexibility in establishing payment relationships between the ACO and its providers.

Under AIPBP, participating ACOs will receive a monthly lump-sum payment outside of the FFS system and be responsible for paying Next Generation Participants and Preferred Providers with whom they have entered into written AIPBP Payment Arrangement agreements. The

monthly payment will be based on an estimation of the care that will be provided to aligned beneficiaries in the performance year by AIPBP-participating providers.

Reconciliation will occur following the performance year to true up the monthly payments (based on estimation) versus what AIPBP-participating providers would have been paid under FFS.

All participating providers will continue to submit FFS claims to CMS, which will fully adjudicate the claims, but will not make payment to providers who have agreed to participate in AIPBP except for add-on payments for inpatient hospitals (specifically operating outlier payments, operating disproportionate share hospital [DSH] payments, operating indirect medical education [IME] payments, Medicare new technology payments, and Islet isolation cell transplantation payments.).

ACOs had an annual election to participate in AIPBP from among three alternate payment mechanisms in 2017; the ACO's Providers/Suppliers and Preferred Providers will agree to participate on a provider-by-provider basis (that is, not all Providers/Suppliers, or Preferred Providers will have claims reduced up to 100 percent). All AIPBP-participating providers will receive a 100-percent reduction to their claims if they see an aligned beneficiary, unless that aligned beneficiary has opted out of medical claims data sharing with the ACO or if the claim is for substance abuse-related services. If an AIPBP-participating provider sees a beneficiary not aligned to an ACO, they would not receive the reduction.

Providers who do not have an AIPBP Payment Arrangement with an ACO, whether in the ACO or not, will continue to receive normal FFS reimbursements for all the beneficiaries they treat, including aligned beneficiaries. Medicare systems will continue to view providers and beneficiaries as being FFS.

As mentioned, providers continue to submit all FFS claims to CMS, which will make coverage and liability determinations and assess beneficiary liability. Beneficiary liabilities will be calculated based on what Medicare would have paid in absence of AIPBP, and Medicare Summary Notices (MSNs) should reflect the amount that would have been paid (as is currently done for PBP). Similarly, Medicare will continue to send remittance notices to AIPBP-participating providers (just as they would receive remittance notices if not participating in AIPBP).

## ADDITIONAL INFORMATION

---

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

## DOCUMENT HISTORY

---

Date of Change	Description
April 20, 2017	Initial article release.

**Disclaimer** This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2016 American Medical Association. All rights reserved.