

CMS Renames GPDC & Value-Based Care Moves Forward

Next Up: 2022 Participants To Be Announced & Benchmark Adjustments

- **CMS's Center for Medicare and Medicaid Innovation (CMMI) announced changes to direct contracting (DC).** The CMMI announcement ([here](#)) Thurs Feb 24 modifies the program to assuage progressives who believe profiteering is taking place from government programs:
 - (1) The GEO model will be discontinued and
 - (2) The full risk GPDC model is being transitioned to the new "ACO Reach" model. The Reach model will: (a) promote health equity, (b) promote physician leadership & (c) provide beneficiary protections.
- **Our take:** The CMMI announcement is in line with our thesis and not terribly disruptive to the program & participants. The full-risk (GPDC) program will take time to transition, and we believe most organizations will be able to modify structures & processes within the required timelines. GEO was canceled before, and quite honestly never had much traction. The new "guardrails" on GPDC-turned-ACO Reach ought to reflect Biden's priorities around health equity and provider-centric care, and ought to assuage those critical of the program. A comparison chart of the old and new full risk DC programs can be found [here](#).
- **Next up:** We believe CMMI is dedicated to value-based care and will move forward accordingly. (1) CMMI is set to announce the myriad new 2022 participants (in GPDC). The numbers are higher than expected, and demonstrate a commitment to the program, with the willingness to tweak the program, as needed. (2) Recall that entities asked for a COVID-related adjustment to benchmarks, so that will likely be announced shortly. (3) On the ACO Reach transition the next steps are an application period which opens on March 7 and closes on April 22, 2022. CMS is not soliciting Letters of Intent (LOIs) for 2023 starters.
- **ACO REACH Model will replace the GPDC Model on Jan 1, 2023 ([here](#)).** The first performance year of the redesigned model will begin on Jan 1, 2023 and will run for 4 years (through PY 2026). The model is provider-based and offers 3 types of participants.
 - **1-Standard ACOs:** ACOs comprised of organizations that generally serve Original Medicare patients, including Medicare-only and also dually eligible beneficiaries, who are aligned to an ACO through voluntary alignment or claims-based alignment.
 - **2-New Entrant ACOs:** ACOs comprised of organizations that have not traditionally provided services to an Original Medicare population and who may rely primarily on voluntary alignment.
 - **3-High Needs Population ACOs:** ACOs that serve Original Medicare patients with complex needs, including dually eligible beneficiaries.
- **ACO REACH Model Request for Applications RFA is posted ([here](#)).** ACO REACH allows CMS to test an ACO model that can inform the Medicare Shared Savings Program and future models by making 3 changes to the GPDC Model.
 - **Advance health equity to bring the benefits of accountable care to underserved communities.** ACO REACH will test an innovative payment approach to better support care delivery.

- **Promote physician and beneficiary leadership and governance.** At least 75% control of each ACO's governing body generally must be held by participating providers or their designated representatives (compared to 25% during the first 2 performance years of the GPDC model). Requires at least two beneficiary advocates on the governing board (at least one Medicare beneficiary and at least one consumer advocate).
- **Protect beneficiaries and the model with more participant vetting, monitoring and greater transparency.** CMS will employ increased up-front screening of applicants and robust monitoring of participants. Will also explore stronger protections against inappropriate coding and risk score growth.
- **The GPDC Model will transition to the new ACO REACH Model ([here](#)) 2023-26.** Current GPDC Model is being renamed to the ACO REACH Model to better align the name with the vision. Current GPDC Model participants must maintain a strong compliance record and agree to meet all the ACO REACH Model requirements by Jan 1, 2023 to continue participating in the model as ACOs.