aggregated and reported in a fashion that you don’t have to worry about it as much.”

Inherent to its structure as a Medicare ACO, the Baylor St. Luke’s network participates in the Medicare Shared Savings Program Track 1, which is considered an upside-only, or one-sided, risk model. The network gets a portion of any savings it achieves by taking care of its Medicare population efficiently. But if spending exceeds target, the network does not have to cover any of the excess costs.

MSSP Track 1 ACOs are not considered Advanced APMs, but CMS has created a special MIPS category for them, called MIPS APM.

Because the Baylor St. Luke’s network reports on its performance via MSSP, it will be exempt from a lot of MIPS reporting. They do not have to submit data separately for the MIPS and will be scored using a MIPS APM scoring standard.

Jennifer Vermeer, president and CEO of University of Iowa Health Alliance, says that some CMS requirements may cause disincentives for some organizations that are looking to integrate with physicians, depending on their specific circumstances.

The University of Iowa Health Alliance, which is also in MSSP Track 1, handles value-based contracting for four independent Iowa health systems, including University of Iowa Health Care. While most of the physicians in UIHA are employed by the health systems, a few independent physician groups joined forces with the alliance to participate as an ACO in MSSP Track 1.

However, these physician groups recently decided to leave the MSSP ACO because CMS requires all providers in MSSP ACOS to report performance as a single entity. “These independent groups were averse to being averaged with others,” Vermeer says.

This group reporting requirement is only for MSSP, which illustrates how CMS requirements will affect organizations in different ways. In the regular MIPS track, providers can decide to report as individuals or as a group.

STRATEGY 3: Building population management and risk capabilities

“Accepting risk is risky,” says Baystate Health’s Evan Benjamin, M.D., senior vice president for quality and population health and chief quality officer. He should know. Baystate’s physician-hospital organization participates in Medicare’s Next-Generation ACO Model, which is considered an Advanced APM with sizable two-sided risk.

Next-Gen ACOs reap most of the savings achieved by efficiently managing a Medicare population. As advanced APMs, they also will receive an incentive of 5 percent of Medicare Part B professional services revenues in 2019.

But the downside risk is significant: If Medicare spending exceeds target, the ACO is responsible for covering a significant