MEDICARE
SHARED SAVINGS
PROGRAM

Repayment Mechanism Arrangements Guidance

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REVISION HISTORY – VERSION 15

Title of Section & Revisions/Changes Description (since last version)	Link to Section Affected
Utilize Repayment Mechanism Draft Tool in ACO-MS: Added guidance directing ACOs to use the RM Generator before engaging with a financial institution.	Section 2.1.1
Working with a Financial Institution: Added additional guidance regarding the LEN requirement.	Section 2.1.2
Repayment Mechanism Amount Estimate: Updated guidance related to the final repayment mechanism amount estimate.	Section 2.4.1
Utilizing an Existing Repayment Mechanism: Added guidance addressing the new Letter of Credit Amendment and Surety Bond Rider documents.	Section 4.3
Repayment Mechanism Amount: Added example 2 to address additional scenarios related to the amount requirement.	Section 4.3
Repayment Mechanism Type Considerations for the Use of an Existing Repayment Mechanism: Added guidance directing ACOs to use the RM Generator before engaging with a financial institution.	Section 2.1.1
Cancellation of Repayment Mechanisms: Updated to include additional guidance on cancellations.	Section 5

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1 Introduction

Medicare Shared Savings Program (Shared Savings Program) Accountable Care Organizations (ACOs) that will participate in a two-sided model must establish a repayment mechanism to assure the Centers for Medicare & Medicaid Services (CMS) that they can repay shared losses and any prepaid shared savings, if applicable, for which they may be liable. Shared losses will be determined upon reconciliation for each performance year under which the ACO accepts performance-based risk (42 CFR § 425.204(f)).

An ACO that will participate in a two-sided model must establish one or more of the following repayment mechanisms in an amount and by the deadline specified by CMS (42 CFR § 425.204(f)(2)):

- Escrow Agreement: An escrow account established with an insured institution.
- Line of Credit: A line of credit as evidenced by a letter of credit that the Medicare program could draw upon, established at an insured institution.
- Surety Bond: A surety bond issued by a company included on the U.S. Department of the Treasury's List of Certified (Surety Bond) Companies.

2 Establishing a Repayment Mechanism

ACOs must establish an adequate repayment mechanism prior to the start of the agreement period (42 CFR § 425.204(f)(3)) as part of the application process to be eligible to participate in a two-sided risk model of the Shared Savings Program (Levels C, D, or E of the BASIC track, or the ENHANCED track).

ACOs in the BASIC track's glide path moving to two-sided risk must establish a repayment mechanism in accordance with the application and change request cycle deadlines in advance of the upcoming performance year.

2.1 DRAFT DOCUMENTATION

2.1.1 Select Repayment Mechanism Type

An ACO may elect to use a single repayment mechanism type or a combination of the designated repayment mechanism types.

2.1.1.1 *Funds Placed in Escrow*

Escrow agreements must be established with an insured institution either by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund Program. Funds held in escrow must be invested in a permissible type of investment: a money market account, treasured backed securities, or both. An interest-bearing money market deposit account may be used.

An escrow agreement template is provided in Appendix A. Using escrow agreements that deviate from the language in the template may require additional review time and revision. CMS will sign only the approved escrow agreement; ancillary documents will not be signed.

2.1.1.2 *Line of Credit*

Letters of credit must be established with an insured institution, either by the FDIC or National Credit Union Share Insurance Fund Program.

A letter of credit template is provided in Appendix B. Using letters of credit that deviate from the language in the template may require additional review time and revision.

2.1.1.3 *Surety Bond*

ACOs can establish a surety bond issued from a company included on the U.S. Department of the Treasury's List of Certified (Surety Bond) Companies.

A surety bond template is provided in Appendix C. Using surety bonds that deviate from the language in the template may require additional review time and revision.

The surety bond may not include a statement that the surety's aggregate liability shall not be cumulative, and the surety's liability shall be limited to the stated penal sum of the bond.

2.1.2 Create Repayment Mechanism Draft in ACO-MS

Within ACO-MS, ACOs can use the Repayment Mechanism Generator (RM Generator) to populate repayment mechanism templates. Build the first draft to take to your financial institution by following step-by-step guidance through the required inputs. ACOs will need to download the completed draft from ACO-MS in order to share will their selected financial institution.

The repayment mechanism must be in effect for the duration of the ACO's participation under a two-sided model plus 12 months following the conclusion of the agreement period (42 CFR § 425.204(f)(6)). One of the benefits of using this tool is the dates will be calculated and included in the draft for the ACO. ACOs will be prompted to select one of the two options below for letters of credit and surety bonds:

- Option 1: The repayment mechanism covers the entire duration of the ACO's participation under a two-sided model plus 12 months following the conclusion of the agreement period; or
- Option 2: The repayment mechanism covers a term of at least the first two performance years in which the ACO is participating under a two-sided model and provides for automatic, annual 12-month extensions of the repayment mechanism such that the repayment mechanism will eventually remain in effect for the duration of the agreement period plus 12 months following the conclusion of the agreement period.

Additionally, this tool will help your ACO complete other fields related to dates, such as the inception date (also known as the participant agreement start date). This is generally included within escrow agreement and surety bond documentation and must reflect the date the ACO enters into a Participation Agreement with CMS.

Draft documentation is not expected to include the repayment mechanism amount or executed signatures. Additional information will be provided after your initial submission to prepare final documents.

Using the RM generator is optional but highly encouraged. All repayment mechanisms remain subject to CMS review and approval, and ACOs remain responsible for the accuracy of all submitted information.

2.1.3 Working With a Financial Institution

ACOs are strongly encouraged to work with their financial institution to create draft repayment mechanism documentation before submitting the first draft to CMS. Providing your financial institution with a first draft created using the RM generator can help provide all parties with the required information.

The ACO is considered the **liable party** for the repayment mechanism. Therefore, the ACO Legal Entity Name (LEN) detailed in the ACO Management System (ACO-MS) must be listed on the repayment mechanism. Do not list any other entity in conjunction or on behalf of the ACO LEN within the repayment mechanism. Doing Business As (DBA) names are not permitted on the repayment mechanism unless the LEN includes the DBA name within ACO-MS.

CMS must be designated as the sole beneficiary. Depending on the type of repayment mechanism, ensure that "Centers for Medicare & Medicaid Services" is correctly identified as the **Beneficiary/Recipient/Obligee of Repayment Mechanism**. The address, including the mailstop, should be used.

7500 Security Boulevard
Mail Stop C5-15-12
Baltimore, MD 21244

Account fees or other fees associated with establishing, maintaining, or canceling a repayment mechanism are the responsibility of the ACO and cannot be paid out of the principal or penal sum for the repayment mechanism.

CMS did not preempt any state laws or state law requirements in the final rule establishing the Shared Savings Program. To the extent that state law affects an ACO's operations, CMS expects the ACO to comply with those requirements as an entity authorized to conduct business in the state. Refer to the Shared Savings Program November 2011 Final Rule, 76 FR 67802, 67816.

2.2 SUBMIT DRAFT DOCUMENTATION

ACOs submit draft repayment mechanism documentation (not including amount or signatures) during the initial submission period of the application process or the annual change request cycle. Initial applicants will be prompted to submit a repayment mechanism within their application upon selecting a two-sided model. Renewal and Early Renewal applicants should refer to Section 4 for additional information.

Currently participating ACOs transitioning to a two-sided model will need to submit a Participation Options Change Request (POCR) selecting a two-sided track. This will create a repayment mechanism task on the ACO dashboard.

Before submitting draft documentation in ACO-MS, review Appendix E: New Repayment Mechanism Checklist or Appendix F: Renewing ACO Repayment Mechanism Checklist to ensure all required elements are included.

Tips for Success

If an ACO submits a final repayment mechanism arrangement for review and CMS requires any changes to the submitted documentation, it may delay the establishment of the ACO's repayment mechanism. Draft documentation is not expected to include the final amount before it is available or executed signatures prior to finalization of the repayment mechanism document.

Published Resource Available

Upcoming deadlines can be found on the Shared Savings Program Application Types and Timeline webpage.

2.3 RECEIVE FEEDBACK AND CORRECT DEFICIENCIES

The Request for information (RFI) periods during the application and change request cycle provide the ACOs opportunities to update and correct repayment mechanism deficiencies.

Deficiencies will be issued through ACO-MS, and ACOs must respond to them there.

Tips for Success

If applicable, CMS uploads a feedback document to the repayment mechanism task within ACO-MS with comments and edits to assist the ACO.

Task Status	Description	ACO Action
RFI	Draft documentation does not adhere to the requirements for repayment mechanisms. Deficiencies will be identified in the task.	Address the deficiencies within the draft documentation and resubmit in ACO-MS.

2.3.1 Repayment Mechanism Amount Estimate

CMS will provide an estimated repayment mechanism amount at Phase 1 RFI-1 based on available data. This estimate is intended for planning purposes only and reflects what the final amount could be if no changes are made to the ACO's participant list. ACOs should not use the Phase 1 RFI-1 estimate to finalize a repayment mechanism. ACOs can view the estimate on the

Application Cycle subtab or within the Revenue tab of the *Participation Options Report* within the Reporting tab in ACO-MS.

IMPORTANT!

ACOs must remove any ACO participants they do not want included in the final repayment mechanism amount during the Phase 1 RFI-1 response period.

The final repayment mechanism amount is based on the ACO's participant list at the end of the Phase 1 RFI-1 response period. ACO Participants **added during Phase 1 RFI-1** will be included in the final amount.

ACO Participants **deleted during Phase 1 RFI-2** will not be excluded from the final amount.

2.4 FINAL REPAYMENT MECHANISM AMOUNT AND DOCUMENT

2.4.1 Calculation of Repayment Mechanism Amount

The dollar amount funded by the repayment mechanism must be at least the amount specified in the communication of the final amount by CMS. The final repayment mechanism amount will be released with Phase 1 RFI-2.

The repayment mechanism amount must be equal to the lesser of the following, in accordance with 42 CFR § 425.204(f)(4)(ii):

- One-half (0.5) percent of the total per capita Medicare Parts A and B fee-for-service (FFS) expenditures for its assigned beneficiaries, based on expenditures and the number of assigned beneficiaries for the most recent calendar year for which 12 months of data are available; or
- One percent of the total Medicare Parts A and B FFS revenue of its ACO participants, based on revenue for the most recent calendar year for which 12 months of data are available, and based on the ACO's number of assigned beneficiaries for the most recent calendar year for which 12 months of data are available.

CMS will estimate the number and population of beneficiaries assigned to the ACO based on the most recent calendar year for which 12 months of data are available.

To determine the benchmark-based amount, CMS will use the estimated assigned beneficiary population to project the ACO's total per capita Medicare Parts A and B FFS expenditures for the most recent calendar year.

To determine the revenue-based amount, CMS will project ACO participants' total Medicare Parts A and B FFS revenue based on claims for all Medicare FFS beneficiaries furnished services by ACO participants during this same calendar year.

In calculating the repayment mechanism amount, CMS will multiply:

- The projected amount of total per capita Medicare Parts A and B FFS expenditures used in determining the benchmark-based amount, and
- The projected amount of ACO participants' total Medicare Parts A and B FFS revenue expressed as a per beneficiary value used in determining the revenue-based amount
- By an estimated number of assigned beneficiaries.

2.4.2 Finalization of Repayment Mechanism

Once the terms of the repayment mechanism meet all requirements and final repayment mechanism amounts have been released, CMS will notify the ACO that the repayment mechanism documents are "**Ready for Finalization.**" This notification indicates that the ACO may finalize and upload final documentation via ACO-MS.

The type of repayment mechanism selected will determine the final steps required for finalization and approval.

Since final amounts are not released until Phase1 RFI-2, it is not possible to receive this notification before this time.

ACOs can find the final repayment mechanism amount in ACO-MS on the Application Cycle subtab or within the Revenue tab of the *Participation Options Report* within the Reporting tab. For more information about the *Participation Options Report*, refer to the Data Dictionary, which will be available in the Application Cycle subtab (via the information bubble).

2.4.2.1 *Escrow Agreements*

Next steps with an escrow agreement at "Ready for Finalization":

- Populate the issuance date.
- Populate the account number in the agreement.
- Submit confirmation of deposit.
- Ensure all signatures are executed in the agreement.
    - If a digital signature is used to execute repayment mechanism documentation, a copy of the digital signature audit report should be included.

All escrow agreements must also include proof of deposit. To meet this requirement, the financial institution must provide a signed letter on its letterhead with a statement indicating the funds are on deposit.

This requirement must be met before CMS approves or countersigns the repayment mechanism by the date which CMS requires the repayment mechanism documentation to be fully funded and fully executed.

Include all these elements in the final repayment mechanism documentation.

2.4.2.2 *Letter of Credit*

Next steps with a letter of credit at "Ready for Finalization":

- Populate the final amount.
- Populate the issuance date.

- Populate the account number in the letter of credit.
- Ensure all signatures are executed.
- Once the finalization components have been resolved, request a digital version of the final letter of credit for upload to ACO-MS.
  - This step allows for a final review before sending original documentation to CMS.

ACOs will be notified that their repayment mechanism has received "**Conditional Approval**" in ACO-MS. Once received, mail the original document (must be via traceable carrier (e.g., FedEx, UPS, DHL)) and respond in ACO-MS with the tracking information.

CMS encourages ACOs to include the cover sheet found in Appendix E when submitting documentation. All documentation should be sent to the following address:

Centers for Medicare & Medicaid Services
7500 Security Boulevard
Mail Stop C5-15-12
Baltimore, MD 21244

2.4.2.3 *Surety Bond*

Next steps with a surety bond at "Ready for Finalization":

- Populate the final amount.
- Populate the account number in the bond.
- Ensure all signatures are executed.
- Populate the execution date.

3 Maintaining a Repayment Mechanism

3.1 REQUIRED AMOUNT INCREASES

CMS recalculates the ACO's repayment mechanism amount for the second and each subsequent performance year in the agreement period in accordance with 42 CFR § 425.204(f)(4)(iii).

The recalculation is based on the ACO's certified ACO participant list for the relevant performance year. However, the number of assigned beneficiaries used in the calculations is the number of beneficiaries assigned to the ACO at the beginning of the relevant performance year.

For ACOs under preliminary prospective assignment with retrospective reconciliation, CMS uses the beneficiary assignment methodology described under 42 CFR § 425.400(a)(2)(i). For ACOs under prospective assignment, CMS uses the methodology described at 42 CFR § 425.400(a)(3)(i).

An ACO may be required to increase its repayment mechanism during its agreement period if the recalculated repayment mechanism amount exceeds the existing repayment mechanism amount by $1,000,000, as calculated by CMS.

In this case, CMS will provide notice to the ACO in writing via ACO-MS that the amount of its repayment mechanism must be increased to the recalculated repayment mechanism amount.

The ACO has 90 days from the date of receipt of the written notice to submit documentation for CMS' approval showing that the amount of its repayment mechanism has been increased to the amount specified by CMS.

3.2 CHANGING EXISTING REPAYMENT MECHANISM

If an ACO with an established repayment mechanism would like to update terms of the arrangement or replace the arrangement with a new repayment mechanism during the agreement period, the ACO must submit a Request to Edit Repayment Mechanism Task in ACO-MS for CMS' review. Refer to the *How to Edit a Repayment Mechanism in ACO-MS* tip sheet, located in the Knowledge Library of ACO-MS.

3.3 REPAYING SHARED LOSSES

The amount of shared losses incurred by an ACO, as determined upon annual financial reconciliation, may be more or less than the repayment mechanism amount. An ACO may choose to cover the shared losses with alternative funds and not the established repayment mechanism.

The repayment mechanism documentation should indicate that CMS will make a demand for repayment mechanism funds if the ACO elects to pay any shared losses (and any prepaid shared savings, if applicable) or fails to pay any shared losses it owes (and any prepaid shared savings, if applicable) to CMS as a result of participation in the Shared Savings Program, citing the regulations at 42 CFR Part 425. For examples, refer to Appendix A (escrow agreement template), Appendix B (letter of credit template), and Appendix C (surety bond template).

The ACO may also choose to cover the shared losses with the existing repayment mechanism. However, if the amount of the repayment mechanism is not sufficient to cover the total amount owed by the ACO, the ACO will be required to repay any remaining balance using alternative funding sources.

If necessary, CMS may require the ACO to extend the duration of the repayment mechanism to ensure the ACO fully repays CMS any shared losses for each of the performance years of the agreement period (refer to 42 CFR § 425.204(f)(6)(iii)).

3.4 REPLENISHMENT

The repayment mechanism must allow for replenishment within 90 days if any portion of the repayment mechanism is used to repay shared losses owed or prepaid shared savings determined to be owed to CMS, as detailed in 42 CFR § 425.204(f)(5).

After the repayment mechanism has been used to repay any portion of shared losses owed or prepaid shared savings determined to be owed to CMS, the ACO receives notification of the requirement to replenish the amount of funds used within 90 days, pursuant to 42 CFR § 425.204(f)(5).

The resulting amount available of the repayment mechanism must be at least the amount specified by CMS in accordance with 42 CFR § 425.204(f)(4). If it is not possible to replenish the existing arrangement (for example, because it was terminated), the ACO is required to establish one or more new repayment mechanism(s) to support its participation in the Shared Savings Program.

4 Renewal and Early Renewal Applications

The ACO must submit repayment mechanism documentation to CMS showing it has an adequate repayment mechanism as part of the renewal or early renewal application pursuant to 42 CFR § 425.204(f)(3)(iv). The repayment mechanism applicable to the new agreement period may be the existing repayment mechanism currently in use with required modifications or a new repayment mechanism.

Once the ACO becomes a renewal or early renewal applicant, any pending edit repayment mechanism task will be withdrawn in ACO-MS. You will be required to complete your repayment mechanism updates within the Repayment Mechanism task created during Phase 1 of the application cycle.

Tips for Success

Renewal and Early Renewal applicants can utilize the repayment mechanism generator in ACO-MS. This tool supports modifications required for both letter of credit amendments and surety bond riders.

4.1 ESTABLISHING A NEW REPAYMENT MECHANISM FOR THE NEW AGREEMENT PERIOD

Renewing or early renewing ACOs may elect to establish a new repayment mechanism for their new agreement period. Refer to Section 2 of this guidance for additional information.

A new repayment mechanism being established for a new agreement period must contain a different account number than the ACO's existing repayment mechanism. Additionally, the issuance date, agreement period start date, and/or execution dates must reflect the new agreement period.

If choosing this option, the ACO should select to utilize a new repayment mechanism for its next agreement period within the repayment mechanism task of the renewal application in ACO-MS.

If electing this option, the ACO will have two repayment mechanisms during the first year of the new agreement period. After financial reconciliation for the current performance year occurs, the repayment mechanism for the prior agreement period may be eligible for cancellation.

4.2 UTILIZING AN EXISTING REPAYMENT MECHANISM

A renewing or early renewing ACO is permitted to use its existing repayment mechanism, with edits if required, to establish its ability to repay any shared losses incurred or prepaid shared savings determined to be owed for performance years in the new agreement period (refer to 42 CFR § 425.204(f)(3)(iv)-(v)).

4.2.1 Surety Bond or Letter of Credit

ACOs with an existing surety bond or letter of credit that choose to utilize their existing repayment mechanism will need to submit an amendment or rider to modify the existing repayment mechanism's duration and amount if selecting this option. For letters of credit, amendments must reference the original letter of credit number. For surety bonds, riders must reference the original surety bond number.

ACOs have the option of filling out a draft amendment or rider by using the RM generator in ACO-MS. This will calculate the extended duration. An update to the amount will be determined when final amounts are released at Phase 1 RFI-2. Templates for letter of credit amendment and surety bond rider that meet the Shared Savings Program repayment mechanism requirements can be found in Appendix G and Appendix H of this guidance.

4.2.2 Escrow Agreement

The current escrow agreement template contains language that allows the escrow account to remain open indefinitely, commonly referred to as "evergreen language." ACOs with an existing escrow agreement can elect to use this for the new agreement period without submitting an amendment as long as there is no duration specified.

In this case, no action is required until final repayment mechanism amounts have been released. At that time, ACOs may need to deposit additional funds into the account and provide a new confirmation of deposit before an approval can be issued.

4.3 CHANGES IN REPAYMENT MECHANISM AMOUNT

The final repayment mechanism required for the new agreement period will be provided at Phase 1 RFI-2. If the final amount is **higher** than the current amount, the amount must be increased.

However, if the amount is **lower** than the current amount, there are two options for ACOs:

- Option 1: Maintain the existing repayment mechanism at the higher amount for the duration of the new agreement period plus 12 months following the conclusion of the new agreement period. This will lock in the existing repayment mechanism amount for the duration of the new agreement period plus 12 months, with no opportunity to lower the repayment mechanism amount.
- Option 2: Establish a new repayment mechanism at the lower amount for the new agreement for the entire five-year agreement period plus 12 months following while also maintaining the existing repayment mechanism through financial reconciliation for the current performance year. With this option, the ACO would have two repayment mechanisms at the same time for the new agreement period's first year.

	Existing Repayment Mechanism: $500,000 New Required Amount: $200,000		
	Option 1	Option 2	
	ACO extends existing repayment mechanism for new agreement period	ACO establishes new repayment mechanism for new agreement period	
Year 1	$500,000	$500,000	$200,000
Year 2	$500,000	$200,000	
Year 3	$500,000	$200,000	

Start of new agreement period

Completion of year 1 reconciliation

Example 1: For the current agreement period, an ACO has an existing $500,000 repayment mechanism. The final required amount for the new agreement period is $200,000.

- **Option 1:** The ACO can choose to either keep the existing $500,000 repayment mechanism for the entire duration of the new agreement period plus 12 months following the conclusion of the new agreement period.
- **Option 2:** The ACO can choose to establish a new $200,000 repayment mechanism and maintain the existing $500,000 repayment mechanism until financial reconciliation for the current performance year occurs.
  - The ACO will have two repayment mechanisms during the first year of the new agreement period, totaling $700,000. After financial reconciliation for the current performance year, the $500,000 repayment mechanism can be cancelled.

4.4 ACOS ELECTING TO PARTICIPATE IN PREPAID SHARED SAVINGS

If an ACO receives prepaid shared savings and has an outstanding balance after the calculation of shared savings or losses for the final performance year of an agreement period or has terminated from the shared savings program, the ACO is required to repay that balance to CMS.

If the ACO fails to repay any outstanding amount of prepaid shared savings following a request from CMS, CMS will recoup the amount owed from the ACO's repayment mechanism.

To support this process, CMS requires ACOs that elect to participate in prepaid shared savings to have an approved repayment mechanism that allows CMS to make a demand for funds to recover any shared losses and any prepaid shared savings determined to be owed to CMS as a result of participation in the Shared Savings Program. For this purpose, debt includes both shared losses and any prepaid shared savings owed to CMS.

ACOs electing to receive prepaid shared savings may meet this requirement by either:

- Establishing a new repayment mechanism with the additional required language.
- Amending their current repayment mechanism to include the required language.

Although this additional language is only required for ACOs participating in prepaid shared savings, it may be included in draft submissions before a final decision regarding participation has been made. ACOs who do not receive prepaid shared savings are allowed to include this language.

Published Resource Available

- *Prepaid Shared Savings Escrow Template*
- *Prepaid Shared Savings Escrow Amendment Template*
- *Prepaid Shared Savings Surety Bond Template*
- *Prepaid Shared Savings Surety Bond Rider Template*
- *Prepaid Shared Savings Letter of Credit Template*
- *Prepaid Shared Savings Letter of Credit Amendment Template*

5 Cancellation of Repayment Mechanisms

An ACO is required to maintain its repayment mechanism for the duration of the ACO's participation under a two-sided model plus 12 months following the conclusion of the agreement period in accordance with 42 CFR § 425.204(f)(6).

An ACO is required to maintain its repayment mechanism after the termination of its participation in the Shared Savings Program until CMS determines the amount of any shared

losses or prepaid shared savings owed and collects that amount from the ACO or until the repayment mechanism expires.

A repayment mechanism may be terminated at the earliest of the following conditions once confirmed by CMS, in accordance with 42 CFR § 425.204(f)(6)(iv):

- The ACO has fully repaid CMS any shared losses or prepaid shared savings owed for each of the performance years of the agreement period under a two-sided model.
- CMS has exhausted the amount reserved by the ACO's repayment mechanism and the arrangement does not need to be maintained to support the ACO's participation under the Shared Savings Program.
- CMS determines that the ACO does not owe any shared losses or prepaid shared savings under the Shared Savings Program for any of the performance years of the agreement period.

5.1 ACO REQUEST TO CANCEL

If an ACO establishes a new repayment mechanism to replace an existing repayment mechanism and the existing repayment mechanism is eligible for cancellation, CMS will cancel the original repayment mechanism at the ACOs request after the replacement repayment mechanism has been approved.

ACOs should send requests to cancel a repayment mechanism to CMS via the Helpdesk by clicking the SSP Helpdesk icon (located within the ACO-MS banner).CMS evaluates the request and determines whether a repayment mechanism is no longer required, pursuant to 42 CFR § 425.204(f)(6)(iv). CMS will complete the required documentation and notify the Financial Institution and ACO of the cancellation.

5.2 CANCELLATION INITIATED BY FINANCIAL INSTITUTION

If an automatic extension clause is utilized, it should state that the financial institution will notify CMS at least 90 days in advance if it elects not to extend the repayment mechanism or if it wishes to terminate the repayment mechanism before it expires.

If CMS receives a notice of cancellation or non-extension/renewal from a financial institution regarding a repayment mechanism established to support an ACO's participation in the Shared Savings Program, CMS will notify the ACO and require action by the ACO to maintain compliance with requirements.

Pursuant to 42 CFR § 425.204(f)(6), the repayment mechanism must be in effect for the duration of the ACO's participation under a two-sided model plus 12 months following the conclusion of the agreement period. To remain compliant and maintain an active repayment mechanism, the ACO must either send in documentation stating that the notice of cancellation or non-extension/renewal has been rescinded and the RM will remain in effect, or the ACO can replace the terminating repayment mechanism with a new repayment mechanism.

IMPORTANT!

ACOs are subject to compliance action, including involuntary termination of their participation agreement, if an approved repayment mechanism is not continuously in place in accordance with 42 CFR § 425.204(f).

6 Appendices A through F Links: Template Documents and Additional Resources

Please access the referenced documents using the following URLs:

- Appendix A: Escrow Agreement Template
- Appendix B: Letter of Credit Template
- Appendix C: Surety Bond Template
- Appendix D: Repayment Mechanism Documentation Cover Sheet
- Appendix E: New Repayment Mechanism Checklist
- Appendix F: Renewing ACO Repayment Mechanism Checklist
- Appendix G: Letter of Credit Amendment Template
- Appendix H: Surety Bond Rider Template