

Medicare Direct Contracting Geographic Model Fact Sheet

Program Structure and Features

The Medicare Direct Contracting (MDC) Geographic Model, or “Geo”, is the third of three available MDC models released by CMMI. The Geo Model is a population based payment (PBP) model that will offer Direct Contracting Entities (DCEs) the opportunity to assume risk for the total cost of care for Medicare fee-for-service (FFS) beneficiaries in a defined target region. DCEs will engage in value-based payment arrangements with providers in the region that choose to be in the DCE network.

The primary difference between Geo and the Global and Professional options previously released is that DCEs will take financial risk for a subset of the Medicare Beneficiaries in a defined geographic region rather than those that see specific providers. This model also builds on previous accountable care organization (ACO) models, as well as innovations from the Medicare Advantage and Medicaid Managed Care programs.

An applicant for the Geo model may be a health care organization consisting of a direct or affiliated network of health care providers, a health plan, or other type of organization that has formal partnerships or other contractual relationships with Medicare-enrolled providers or suppliers in the target region¹.

Applicants will be evaluated on a set of criteria that reflects maturity with managing and administering value-based programs, and generating savings. CMS is looking for DCEs with an established presence in the communities within which they are applying, and the appropriate functional maturity to manage risk, including data analytics, network management and claims processing (if paying providers). Prospective applicants should consider their overall value-based strategy and core competencies in evaluating readiness for this program.

Quick Facts

Model Timeline

Two, 3-year performance periods

- Performance Period 1 (PP1): 1/1/2022 – 12/31/2024
- Performance Period 2 (PP2): 1/1/2025 – 12/31/2027

Important Dates

- Letter of Intent (LOI) for PP1: Opens 12/3/2020; Closes 12/21/2020 at 11:59pm PT
- Application for PP1: Request for Applications (RFA) to be released in Jan 2021
- Application for PP2: To be released in 2024

Fifteen Applicable Regions – 4-10 to ultimately get RFA

For the Model, CMS will define Core Based Statistical Areas (CBSA) that follow the delineations defined by the U.S. Office of Management and Budget.² CMS has identified 15 candidate regions for the LOI, each of which contains between approximately 150,000 and 700,000 beneficiaries. For the final RFA, four to ten of these areas shall be selected. The CBSAs CMS is considering for the model are:

- Atlanta
- Dallas
- Denver
- Detroit
- Houston
- Los Angeles
- Miami
- Minneapolis
- Orlando
- Phoenix
- Philadelphia
- Pittsburgh
- Riverside
- San Diego
- Tampa

Another worthy note is that CMS intends to select one or more DCEs within any given target region, favoring target regions with two or more DCEs to encourage competition

Geographic Model Features

The Request for Applications (RFA) has not yet formally been released, however based on the Request for Information, the following program features are anticipated.

Exhibit A: Medicare Direct Contracting Geographic Model Features

Minimum Beneficiary Size	Target region must have a minimum of 75,000 Medicare beneficiaries
Capitation	<ul style="list-style-type: none">• DCE is as risk for the total cost of care for Medicare FFS beneficiaries within the target region.• DCE shall receive a capitated payment with the option to pay contracted providers directly• DCEs may elect to have CMS continue to provide FFS payments to be reconciled annually, but will remain at full financial risk
Shared Savings or Loss	<ul style="list-style-type: none">• DCE expected to yield or exceed minimum savings targets in the form of a discount, preliminarily set at 3-5%• A DCE's TCOC accountability would be calculated based on the historical Medicare Parts A and B per capita spending in the target region
Quality Measures	None indicated - suggests DCEs may be able to select quality measures and quality improvement goals within the application
Beneficiary Alignment	A geographic alignment methodology

For more information on exploring Medicare Direct Contracting, please contact Shanah Tirado at stirado@copehealthsolutions.com or 213-369-7415 or Allen Miller at amiller@copehealthsolutions.com or 310-386-5812.

Footnotes

¹ <https://innovation.cms.gov/files/x/dc-geographicbbp-rfi.pdf>

² <https://www.census.gov/programs-surveys/metro-micro/about/delineation-files.html>