ACO REACH Changes May Shift Nursing Home Involvement, With High Needs Populations at the Core

By **Amy Stulick** | October 13, 2023

The latest proposed changes to the REACH accountable care organization (ACO) may make it even easier for skilled nursing facilities to be a part of an ACO program – and there may be implications for quality of care, industry leaders said.

A broadened criteria and an attractive high needs population track is expected to be a major draw.

Industry leaders like Fred Bentley, managing director for ATI Advisory, see REACH changes as a move from the Centers for Medicare & Medicaid Services (CMS) and the Biden administration to increase participation and "broaden the reach of the REACH program" to make the program more favorable to ACOs as well. The REACH acronym stands for Realizing Equity, Access and Community Health.

It's good timing for nursing home operators to brush up on REACH ACOs considering these changes, according to LTC ACO President and CEO Jason Feuerman. SNFs should make themselves available and more aligned with REACH programs in the community, he said.

"If [SNFs] understand the model they should be much more receptive," said Feuerman.

CMS has introduced utilization criteria in addition to hierarchical condition category (HCC) score for high needs requirements, with one or more conditions that impair mobility or neurological condition.

"By adding those criteria, it expands the proportion of long stay residents who could qualify – that's the big change. That makes it even more compelling," said Bentley. "If you're a long term care operator, you could get involved with this, and a big chunk of your long stay population could qualify for this."

These changes are especially relevant for REACH ACOs that have been running a high needs population iteration of the program, and are now looking to partner with more long-term care operators, according to Bentley.

"It presents a very compelling option. It's an interesting pathway for your Medicare fee-for-service population, but let's not forget the Medicare Advantage business is growing," said Bentley. "The proportion of your long-stay population that's in Medicare Advantage continues to grow and grow and grow. The ACO option, it's a good one, but I wouldn't think about it in isolation."

Feuerman said the adjustments made by CMS are good, especially considering it has historically been difficult to have beneficiaries qualify for high needs within an ACO.

While LTC ACO itself is not involved in the REACH program, the organization is the first ACO to serve Medicare beneficiaries who live in long-term care facilities.

“I think it’s important to recognize that whether it’s the REACH program, or [Medicare Shared Savings Program, MSSP], or any of the shared savings programs that are coming out of [the Center for Medicare and Medicaid Innovation] CMMI or CMS, they’re really not centered around SNFs, they are centered around physicians,” said Feuerman.

While there are tangential benefits to the SNF industry with these changes, the real benefit comes from an interest on the REACH ACO end to include SNFs so they qualify for the high needs track. ACOs have in the past seen SNFs as a drag on cost savings and have not sought them out for inclusion in the program.

Feuerman pointed toward a change which would qualify beneficiaries if they have at least 45 Medicare-covered days in a SNF within the previous 12 months, or 90 Medicare-covered days of home health services utilization.

CMS also proposed financial protections, benchmark adjustments, and updates to risk adjustment policies. The agency is set to finalize updates some time this fall.

REACH advocates including the National Association of ACOs (NAACOS) urges the federal agency to explore more features as part of the program, and to add such features into a permanent track within MSSP.

Specifically, changes include a reduction in minimum number of new entrant ACOs from 5,000 to 4,000, and reduced minimums for high needs populations on top of that from 1,200 to 1,000 for 2025.

“That can make it much more palatable for those provider groups that serve a much more defined population, possibly within a community with skilled nursing facilities,” Feuerman said of the high needs changes – lowered threshold and 45-day qualifier. “Many people in a long-term care setting or in a community setting that had very high risk scores were cut out from the program.”

The program would allow a “buffer” of sorts if an ACO drops below the new beneficiary minimum as well, but only within 10% of the threshold and not exceeding more than one of the model’s remaining years.

How changes help expansion, high needs populations

The REACH program ends in 2026, so there won’t be any new ACOs under this particular model, but existing ACOs can add more physicians and in turn more participants – existing REACH ACOs can themselves expand through the changes, Bentley said.

Risk methodology with REACH changes is more aligned with Medicare Advantage, and there are expanded criteria for high needs populations, to get more eligible members with complex needs involved in the program.

“I was talking with somebody who was at CMS designing direct contracting that became the REACH program. They were designing that high needs population track and not really even thinking about long term care. But then, obviously, it fits extremely well [with SNFs],” said Bentley.

Evolution of ACOs and the REACH track

Just like REACH ACO is part of the lineage of Pioneer ACO, the next iteration of this program post-2026 will evolve to create a pathway for more advanced providers who want to take on more risk and get more upside, Bentley said.

“I have every reason to believe that when REACH ends in 2026, CMS and whatever administration it is will introduce a new model, or continue REACH,” Bentley said. “From Pioneer to Next Gen, to direct contracting to REACH, that pathway has gone through three administrations now with radically different politics.”

Feuerman hopes CMS will think about better aligning SNF care with future and existing programs, whether that’s a continuation of REACH, or other value-based care propositions coming out of CMMI and CMS.

“Whether it’s managed care, Medicare, shared savings or ACO REACH, they’re the ones that are being skipped over,” Feuerman said of the skilled nursing industry. “It’s something that is under heavy discussion between the folks NAACOs, [the Society for Post-Acute and Long-Term Care Medicine] AMDA and [the American Health Care Association] AHCA, and others, to formulate a strategy to make the SNF more central.”

In terms of SNF involvement, Bentley has told clients to still get involved in ACOs if it makes sense for their organization, and anticipate that there will be some sort of pathway forward after REACH ends in 2026.

“Either they extend the REACH program, they introduce some new acronym program, or they add new tracks to MSSP that can take in all those high risk patients,” he said.

It’s highly unlikely that CMS will have these high performing, sophisticated ACOs put in all this work to drop the program without a path forward.

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