IMPACT OF THE GLOBAL AND PROFESSIONAL DIRECT CONTRACTING MODEL

Model Goals

The GPDC Model's three overarching goals were to:

1. **Transform Risk-Sharing Arrangements in Original Medicare:** GPDC was designed to tie payment to the quality of care provided to patients through partially capitated payments as opposed to the quantity of services, as is the case in fee-for-service.
2. **Empower Beneficiaries:** GPDC participants sought to help patients navigate the complex health system and offer flexibilities such as in-home care management visits.
3. **Reduce Provider Administrative Burden:** Providers were required to report quality measures focused on outcomes and beneficiary experience rather than process, aiming to free up more time to spend with patients.

The CMS Innovation Center developed the Global and Professional Direct Contracting (GPDC) Model, a voluntary Accountable Care Organization (ACO) model, to provide greater attention to beneficiaries' health needs, reduce provider administrative burden, and reward providers for high value care. The model builds on lessons learned from the Medicare Shared Savings Program (MSSP) and the Next Generation ACO Model.

The GPDC Model was designed to provide the option for a variety of health care organizations to participate in value-based care arrangements. The model provided opportunities for three types of Direct Contracting Entities (DCEs):

1. **Standard DCEs:** Participants with experience serving Original Medicare beneficiaries who may have had experience in other CMMI shared savings models.
2. **New Entrant DCEs**: Participants without experience serving Original Medicare patients.
3. **High Needs Population DCEs:** Participants that serve Original Medicare beneficiaries with complex needs.

Quality Measure Strategy

In both Global and Professional tracks, five percent of the benchmark was withheld for performance year one so that participants would be incentivized to earn back some or all of the withhold depending on their performance. Half of the quality withhold was tied to performance on a pre-determined set of quality measures and half was tied to continuous improvement/sustained exceptional performance (CI/SEP) criteria to encourage continuous improvement in reducing unnecessary or unavoidable health care service utilization. Participants who met the CI/SEP and achieved a quality score of 100 percent would earn back the full quality withhold. The quality withhold was recalculated for the second and final performance year.

November 2022

Financial Methodology

There were two voluntary risk-sharing options in the model:

1. **Professional:** Participants were at risk for 50% of the savings/losses. Participants in this track received a Primary Care Capitation Payment, a risk adjusted monthly payment for primary care services, provided by the DCE to the participating providers.
2. **Global:** Participants were at risk for 100% of shared savings/loses. Participants in this track received a Primary Care Capitation Payment or a Total Care Capitation Payment, a risk adjusted monthly payment for all covered services including specialty care, provided by the DCE to the participating providers.

In the Direct Contracting Model, CMS provides payments to DCEs who then contract directly downstream with providers. CMS used a prospective benchmarking methodology to calculate each providers' benchmark by estimating the cost of what each provider would spend serving their patients over the upcoming year (based on historical utilization). This Performance Year Benchmark was then used to calculate up front monthly capitated payments to DCEs under Total Care Capitation and Primary Care Capitation Payment mechanisms. The DCEs are responsible for sharing money downstream with each participating provider. At the end of the performance year, all expenses incurred for services provided to aligned beneficiaries are compared against each DCE's Performance Year Benchmark to determine savings and losses.

CMS released Financial and Quality results for the first performance year of the GPDC model, which are outlined in the table below.

Source: PY2021 GPDC Financial and Quality Results

DCE Type	Risk Arrangement	Number of DCEs	Total Benes	Per-Bene Pre-Discount Benchmark	Per-Bene Final Benchmark	Gross Savings/ Loss Rate	Net Savings/ Loss Rate
High Needs	Global	3	1,357	$31,319	$30,693	12.04%	9.84%
	Professional	3	809	$32,968	$32,968	10.98%	2.11%
New Entrant	Global	14	44,269	$12,287	$12,287	5.93%	3.79%
	Professional	4	11,389	$10,679	$10,679	4.10%	1.61%
Standard	Global	22	248,514	$9,464	$9,274	2.61%	0.56%
	Professional	7	51,143	$9,952	$9,952	2.29%	1.09%
All DCEs	Overall	53	357,481	$10,089	$9,924	3.30%	1.29%

GPDC sunsets at the end of 2022 and is transitioning into the ACO REACH Model in 2023. View the Task Force's ACO REACH model briefer here.