Assessing the Impact: AHEAD Model

This brief provides a succinct overview of the AHEAD Model. Access additional Task Force Model Impact Briefers here.

Introduction

In September 2023, the Centers for Medicare & Medicaid Services (CMS) announced the States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model. This voluntary total cost of care model holds states accountable for their Medicare and all-payer cost growth, primary care investment targets, population health, and health equity outcomes. The AHEAD Model seeks to increase investment in primary care, provide financial stability for hospitals, and support beneficiary connection to community resources. AHEAD builds on existing state-based models like the Vermont All-Payer Accountable Care Organization Model, the Maryland Total Cost of Care Model, and the Pennsylvania Rural Health Model. AHEAD is unique in its concurrent implementation across multiple states and its eleven-year timeline.

Model Goals

- Improve population health
- Reduce disparities in health outcomes
- Curb the growth of health care costs

Eligibility & Participation

In summer 2024, CMS announced that Connecticut, Hawaii, Maryland, and Vermont will participate in the AHEAD Model. Additional states may join in the final cohort, up to a total of eight. For each state, there are three primary participants:

State Participants must (1) align state Medicaid agencies with CMS in enacting hospital global budgets and primary care transformation, (2) establish a governance structure to guide implementation of the model, including state government, providers, payers, and the community, and (3) develop a Statewide Health Equity Plan to define and guide Model activities aimed at reducing disparities and improving population health.

Hospital Participants must (1) create hospital health equity plans that align with state priorities, (2) enhance demographic data collection and health-related social needs screening to connect beneficiaries to community resources and address social needs, and (3) meet performance measures for quality and health equity.

Primary Care Practice Participants must be in a Patient-Centered Medical Home and meet AHEAD program requirements related to advanced primary care.

Financial Methodology

Participating states will be responsible for Medicare and all-payer cost growth targets, as well as primary care investment targets. The AHEAD Model includes three main components to help states meet these goals:

- State Cooperative Agreement Funding: CMS will provide funding to states to support model planning and implementation. Applicants selected to participate in the model will receive up to $12 million in Cooperative Agreement Funding depending on funding needs and availability. A maximum of $96 million will be awarded.
- Hospital Global Budgets: Hospitals that join the model will receive a fixed revenue amount for the upcoming year from participating payers, such as Traditional Medicare and Medicaid. Global budgets are set based on historical revenue, trended forward, and adjusted based on hospital performance related to cost, quality, and equity.
- Primary Care AHEAD: Primary care participants will receive additional funding, including an Enhanced Primary Care Payment of approximately $17 per beneficiary per month for each assigned beneficiary, paid quarterly. Practices can utilize the enhanced payments to improve infrastructure and staffing for advanced primary care.

Performance

Entities that take part will be evaluated based on their performance:

Participating states are responsible for health care quality, cost, and outcomes, as agreed upon by the state and CMS including:

- Medicare Fee-for-Service (FFS) Primary Care Investment Target
- All-Payer Primary Care Investment Target
- Statewide Quality and Equity Targets (Medicare FFS and All-Payer)
- Medicare FFS Total Cost of Care Targets
- All Payer Cost Growth Targets

States will select specific health measures that align with their health equity plans and quality improvement efforts in the following categories:

- Population Health
- Prevention & Wellness
- Chronic Conditions
- Behavioral Health
- Health Care Quality & Utilization

Participating hospitals will be assessed based on quality measures that will impact the global budget, including:

- Readmissions
- Avoidable Admissions
- Avoidable Emergency Department Visits
- Low-Value Care
- Chronic Disease Prevention

Participating primary care practices are expected to meet specific care transformation requirements including:

- Care Coordination
- Behavioral Health Integration
- Health-Related Social Needs Screening