

revenue center codes designated under § 425.400(c).

*Quality measures* means the measures defined by the Secretary, under section 1899 of the Act, to assess the quality of care furnished by an ACO, such as measures of clinical processes and outcomes, patient and, where practicable, caregiver experience of care and utilization.

*Re-entering ACO* means an ACO that does not meet the definition of a renewing ACO and meets either of the following conditions:

(1) Is the same legal entity as an ACO, as defined in this section, that previously participated in the program and is applying to participate in the program after a break in participation, because it is either—

(i) An ACO whose participation agreement expired without having been renewed; or

(ii) An ACO whose participation agreement was terminated under § 425.218 or § 425.220.

(2) Is a new legal entity that has never participated in the Shared Savings Program and is applying to participate in the program and more than 50 percent of its ACO participants were included on the ACO participant list under § 425.118, of the same ACO in any of the 5 most recent performance years prior to the agreement start date.

*Renewing ACO* means an ACO that continues its participation in the program for a consecutive agreement period, without a break in participation, because it is either—

(1) An ACO whose participation agreement expired and that immediately enters a new agreement period to continue its participation in the program; or

(2) An ACO that terminated its current participation agreement under § 425.220 and immediately enters a new agreement period to continue its participation in the program.

*Reporting period*, for purposes of subpart F of this part, means the calendar year from January 1 to December 31.

*Rural health clinic (RHC)* has the same meaning given to this term under § 405.2401(b) of this chapter.

*Shared losses* means a portion of the ACO's performance year Medicare fee-for-service Parts A and B expenditures,

above the applicable benchmark, it must repay to CMS. An ACO's eligibility for shared losses will be determined for each performance year. For an ACO requesting interim payment, shared losses may result from the interim payment calculation.

*Shared savings* means a portion of the ACO's performance year Medicare fee-for-service Parts A and B expenditures, below the applicable benchmark, it is eligible to receive payment for from CMS. An ACO's eligibility for shared savings will be determined for each performance year. For an ACO requesting interim payment, shared savings may result from the interim payment system calculation.

*Taxpayer Identification Number (TIN)* means a Federal taxpayer identification number or employer identification number as defined by the IRS in 26 CFR 301.6109-1.

*Two-sided model* means a model under which the ACO may share savings with the Medicare program, if it meets the requirements for doing so, and is also liable for sharing any losses incurred under subpart G of this part.

[76 FR 67973, Nov. 2, 2011, as amended at 80 FR 32833, June 9, 2015; 80 FR 71385, Nov. 16, 2015; 81 FR 38013, June 10, 2016; 82 FR 53368, Nov. 15, 2017; 83 FR 60092, Nov. 23, 2018; 83 FR 68062, Dec. 31, 2018; 87 FR 70232, Nov. 18, 2022; 88 FR 79543, Nov. 16, 2023]

## Subpart B—Shared Savings Program Eligibility Requirements

### § 425.100 General.

(a) Under the Shared Savings Program, ACO participants may work together to manage and coordinate care for Medicare fee-for-service beneficiaries through an ACO that meets the criteria specified in this part. The ACO must become accountable for the quality, cost, and overall care of the Medicare fee-for-service beneficiaries assigned to the ACO.

(b) An ACO is eligible to receive payments for shared savings under subpart G of this part if all of the following conditions are met:

(1) The ACO meets or exceeds the applicable minimum savings rate established under §§ 425.604, 425.605 (except as provided under § 425.605(h)), 425.606, 425.609, or 425.610.