

# States Advancing AHEAD Model

On September 5, 2023, the Centers for Medicare & Medicaid Services (CMS) [announced](#) a new voluntary, state Total Cost of Care (TCOC) model: the States Advancing All-Payer Health Equity Approaches and Development Model (“States Advancing AHEAD” or “AHEAD” Model). **The aim of the AHEAD model is to curb rising health care cost costs, improve population health, and advance health equity by reducing disparities in health outcomes. CMS will award as much as \$12 million to each participating state over a span of six years** to support increasing investment in primary care, providing financial stability for hospitals, and supporting beneficiary connection to community resources.

## Who can participate in the AHEAD Model and how?

### STATES

All 50 US states, Washington, D.C., and territories (collectively, “states”) with at least 10,000 Medicare FFS Part A and Part B beneficiaries in the state or sub-region are eligible to apply to participate in AHEAD. **Model participation is limited to eight states.**

States may apply to participate at the state level or a sub-state regional level. **The Notice of Funding Opportunity (NOFO), which includes the specific application requirements, will be released in late Fall 2023. States will have 90 calendar days to apply for a cooperative agreement award during this first application period. The second NOFO application period is anticipated to open in Spring 2024 with a 60-day application period.** It is anticipated that the application will require the following:

- A description of the state applicant and any partners,
- An assessment of readiness for AHEAD model components – such as existing legislation related to primary care investment and/or cost growth,
- A vision for population health improvement and primary care transformation,
- Proposed strategy for hospital and primary care provider recruitment,
- Proposed strategy for Medicaid and multi-payer alignment, and
- Description of current population health and health equity activities.

### PROVIDERS

Primary care practices, hospitals, and health systems may participate in this model if their state is selected to participate, and they practice or are located in either the state or sub-state region.

## What is the AHEAD Model’s Framework?

The AHEAD Model will test state accountability for controlling overall growth in health care expenditures while increasing investment in primary care and improving population health outcomes within a participating state or region within a state. **As part of the model, participating states will be held accountable for statewide or sub-state targets that align with model goals for Medicare FFS and across all payers. States will also be responsible for ensuring that statewide quality and equity targets for all residents are being met.** State Medicaid Agencies will align with CMS in hospital global budgets and primary care transformation. The Model consists of three primary components to assist states in meeting these targets:

### COOPERATIVE AGREEMENT FUNDING:

The cooperative agreement funding provided by CMS can support initial investments for states to begin planning activities during the Model's pre-implementation period and the initial performance years of the model. As part of the agreement, participating states will be held accountable for targets that align with model goals for Medicare FFS and across all payers. State Medicaid Agencies will align with CMS in hospital global budgets and primary care transformation.

### HOSPITAL GLOBAL BUDGETS:

**AHEAD will offer participating hospitals located in participating states and sub-state regions annual Medicare FFS global budgets, which will be set prospectively. These budgets will cover inpatient and outpatient services for these hospitals.** Global budgets provide hospitals with stable, predictable funding and increased incentives to manage population health to improve health outcomes. **As part of the global budget methodology, hospitals will be required to meet performance measures for quality and health equity.**

### PRIMARY CARE AHEAD:

The AHEAD Model is designed to increase Medicare FFS investment in primary care and align primary care transformation with existing innovations in state Medicaid programs. Participation from primary care practices will be vital to the AHEAD Model's success. **Primary care practices participating in the model will be required to engage in state-led Medicaid transformation efforts and the aligned Medicare Primary Care AHEAD program and will receive a management fee to meet care transformation requirements for person-centered care.** Primary care practices will be responsible for reaching performance goals on model quality measures.

## What does the AHEAD Model mean for Health Equity?

AHEAD has several health equity requirements, including the following:

- States must establish a model governance structure to guide implementation. Through this structure, states will convene stakeholders with a wide range of perspectives to inform model activities and build partnerships between the state, providers, payers and the community to support model goals.
- All participating states and hospitals will be required to develop Health Equity Plans to define and guide Model activities aimed at reducing disparities and improving population health.
- Payment methodology for hospital global budgets and Primary Care AHEAD will include adjustments for social risk. Hospitals will also be eligible to earn a bonus for improved performance on disparity-focused measures.
- Participating providers will enhance demographic data collection and utilize health-related social needs screening to connect beneficiaries to community resources and address social needs.
- Primary care practices participating in the Primary Care AHEAD program will be required to engage in state Medicaid transformation efforts, meet care transformation requirements for person-centered care, and reach performance goals on quality measures. FQHCs, RHCs, and other safety net providers will also be eligible for participation.