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Owner Stephanie Clark:  
 Director,  
 Compliance &  
 ACO Compliance  
 Officer  
 Area Compliance  
 Applicability Privia Health and  
 All Markets

## ACO Beneficiary Incentives

### Purpose:

Detail the ACO's policy and processes to ensure compliance with the Medicare Shared Savings Program Final Rule requirements related to the provision of beneficiary incentives.

### Scope:

This policy applies to all Privia Quality Networks, all PQN's, CMG ACO, LLC and all ACO **Related Individuals as defined in this policy** officers, directors, employees, ACO Participants, ACO Providers/Suppliers, contractors, or any other individual or entity providing functions or services related to ACO Activities.

### Definitions:

- **ACO Participant** - An entity identified by a Medicare-enrolled billing TIN through which one or more ACO providers/suppliers bill Medicare, that alone or together with one or more other ACO participants compose an ACO, and that is included on the list of ACO participants that is required under 42 C.F.R. § 425.118.
- **ACO Provider/Supplier** - An individual or entity that: (1) is a provider or supplier under Medicare regulations; (2) is enrolled in Medicare; (3) bills for items and services furnished to Medicare fee-for-service beneficiaries during the agreement period under a Medicare billing number assigned to the TIN of an ACO participant; and (4) is included on the list of ACO providers/suppliers that is required under 42 C.F.R. § 425.118.
- **ACO Related Individual** - ACO officers, directors, employees, ACO **Participant** Participants, ACO **Provider** Providers/Supplier Suppliers, contractors, or any other individual or entity providing functions or services related to ACO Activities.

- **Beneficiary** - Medicare Fee-For-Service beneficiary attributed to the ACO by CMS.
- **Medicare Shared Savings Program (MSSP)** - Medicare Shared Savings Program, established under section [1899 of the Social Security Act](#).
- **Primary Care Services** - the set of services identified by the HCPCS and revenue center codes designated under [§ 425.400\(c\)](#).

## Policy:

It is the policy of the ACO to ensure compliance with state and federal regulations prohibiting the ACO, its Participants, Providers/Suppliers, and other individuals or entities performing functions or services related to the ACO's activities from providing any remuneration to Beneficiaries as inducements for receiving, or continuing to receive, items or services.

## Procedure:

- A. The ACO and ACO Related Individuals are prohibited from providing gifts or other remuneration to beneficiaries as inducements for:
  1. Receiving items or services from, or remaining in, an ACO or with ACO providers/suppliers in a particular ACO; or
  2. Receiving items or services from ACO participants or ACO providers/suppliers.
- B. **In-Kind Incentives**
  1. The ACO may provide in-kind items or services to beneficiaries only if:
    - a. There is a reasonable connection between the items and services and the medical care of the beneficiary;
    - b. The items or services are preventive care items or services or advance a clinical goal for the beneficiary, including adherence to a treatment regime, adherence to a drug regime, adherence to a follow-up care plan, or management of a chronic disease or condition; and
    - c. The items or services are not Medicare-covered items or services for the beneficiary on the date the in-kind item or service is furnished to the beneficiary.
  2. No one acting on behalf of the ACO or an ACO Participant or Provider/Supplier may, directly or indirectly, commit any act or omission, nor adopt any policy, that coerces or otherwise influences a Beneficiary's decision to complete or not complete Voluntary Alignment, including but not limited to the following:
    - a. Offering anything of value to the Beneficiary; or
    - b. Withholding or threatening to withhold medical services or limiting or threatening to limit access to care.
  3. All plans for Marketing Materials and Activities related to rewards and incentives must be submitted to the ACO Executive or Market Lead, who shall work with the ACO Compliance Officer and Marketing for approval of the material and/or activity.

### C. Beneficiary Incentive Program

1. This program is only available to ACOs with downside risk. If the ACO is not able to, or has chosen not to participate in the Beneficiary Incentive Program for any Performance Year, this section does not apply.
2. In accordance with [425.304\(c\)\(2\)](#), to establish or reestablish a beneficiary incentive program, an ACO must submit a complete application in the form and manner and by a deadline specified by CMS.
3. The beneficiary incentive program must be reviewed and approved by the ACO's Board and Executive, the ACO Compliance Officer and the Marketing team prior to submission to CMS.
4. The ACO will be prepared to operate its approved Beneficiary Incentive Program beginning on the first day of the Performance Year in which it has been approved to participate, and must operate said program for an initial period of 12 months.

#### 5. Payment Requirements

- a. The ACO must directly furnish incentive payments to eligible beneficiaries. No other entity or individual, including ACO participants or ACO providers/suppliers, may directly or indirectly furnish incentive payments to beneficiaries.
- b. In order to receive an incentive payment, the Beneficiary must be assigned to the ACO and have received a qualifying primary care service as outlined in the Medicare Shared Savings Program Final Rule Section [425.304\(c\)\(3\)\(iii\)](#).
- c. Incentive Payments must be furnished for each qualifying primary care service and must:
  - i. Be in the form of a check, debit card, or a traceable cash equivalent;
  - ii. Not have a value exceeding \$20;
  - iii. Be provided no later than 30 days after a qualifying service is furnished;
  - iv. Be furnished in the same amount to each eligible Beneficiary without regard to enrollment in a Medicare supplemental policy, in a State Medicaid plan or a waiver of such plan, or in any other health insurance policy or health benefit plan.
- d. ACO's should also inform beneficiaries that incentive payments are not considered income or resources for purposes of determining eligibility for benefits or assistance under any federal, state, or local program financed in whole or in part with federal funds or for purposes of any federal or state laws relating to taxation.

#### 6. Source of Funding

- a. The ACO does not use funds from any entity or organization outside of the ACO to establish or operate the Beneficiary Incentive Program.

- b. The ACO does not directly, through insurance, or otherwise, bill or otherwise shift the cost of establishing or operating the Beneficiary Incentive Program to a Federal health care program.
7. **Beneficiary Notification Requirements:** In accordance with [425.312\(b\)](#) and the ACO's [Initial Beneficiary Notification Policy](#), the ACO must notify all assigned beneficiaries regarding the availability of the incentive program, including a description of the qualifying services for which an assigned beneficiary is eligible to receive [an incentive payment](#).
  - a. ACO's with an approved Beneficiary Incentive Program will be required to utilize the Beneficiary Information Notice that includes Beneficiary Incentive Program CMS templated language.
  - b. The ACO does not include the Beneficiary Incentive Program in any other marketing materials or activities.
8. **Material Change:** If the ACO wishes to make a material change to its CMS approved beneficiary incentive program, the ACO must submit a description of the material change to CMS in a form and manner and by a deadline specified by CMS.
9. **Record Retention:** The ACO must maintain a log of the following items, to be kept in accordance with the [Retention of Documents Policy](#):
  - a. Identification of each Beneficiary that received an incentive payment including name and HICN or Medicare beneficiary identifier.
  - b. The type and amount of each incentive payment made to each Beneficiary.
  - c. The date each Beneficiary received a qualifying service, the corresponding HCPCS code for the qualifying service, and identification of the ACO provider/supplier that furnished the qualifying service.
  - d. The date the ACO provided each incentive payment to each beneficiary.
10. **Resources**
  - a. [Beneficiary Incentive Program Guidance](#)
  - b. [Beneficiary Incentive Program Application \(Sample Only\)](#)

## Approval Signatures

Step Description	Approver	Date
Chief Audit & Compliance Officer Approval	Dana Fields: Chief Audit & Compliance Officer	06/2025
ACO Compliance Leadership Approval #1	Stephanie Clark: Director, Compliance & ACO Compliance Officer	02/2025

Stephanie Clark: Director,  
Compliance & ACO  
Compliance Officer

02/2025