



Press Release

Headline: The National Association of ACOs and Other Major Health Organizations Propose Substantial Changes to the Medicare ACO Program

Source: National Association of ACOs

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In December, the Centers for Medicare and Medicaid Services (CMS), and the Office of Management and Budget (OMB) published a lengthy notice of proposed rulemaking (NPRM) to improve the Medicare Shared Savings Program (MSSP). The National Association of ACOs (NAACOS) has formulated comments in cooperation with some of the largest and most preeminent healthcare organizations in the country whose members include physicians, hospitals, medical group practices and nearly all existing Medicare Shared Savings Program (MSSP) ACOs. In a 36 page letter, we urge CMS to further strengthen the one-sided shared savings model (99% of current ACOs) so that more ACOs will financially succeed and further improve quality for the Medicare beneficiaries and we recommend a more realistic time frame and incentive structure for ACOs to assume more risk and move to the two-sided risk tracks. We specifically recommend:

- (1) provide an option for more predictable, prospective assignment of Medicare beneficiaries in all MSSP tracks;
- (2) stronger consideration of Physician Specialties and Non-Physician Practitioners in the Assignment Process
- (3) give Medicare beneficiaries an option to align with their primary care physician and ACO;
- (4) remove financial barriers to primary care by allowing ACOs to waive co-pays;
- (5) establish a more appropriate balance between risk and reward through increased savings ratios;
- (6) strengthen the incentives to improve quality of care;
- (7) adopt payment waivers to eliminate barriers to care coordination;
- (8) modify the current benchmark methodology to include regional cost factors; and
- (9) provide better and timelier data to the ACOs.

Previously, we have argued that for any 2-sided risk ACO program to succeed there first must be a sustainable business model for the one-sided track. Most providers will not select a two-sided track without a positive experience in a one-sided risk program. Our surveys have shown that two-thirds of the ACOs will not sign a second three-year contract that puts them at financial risk if significant improvements are not made in the one-sided Track 1. NAACOS CEO, Clif Gaus, says “Why not fix the program for 99% of the ACOs before it is too late? Since CMS is receiving substantial savings from the one-sided ACOs, why is it so important to push everyone to the two-sided risk tracks?”

Beyond \$705 million in cost savings, one-sided risk ACOs have also demonstrated in the first 20 months of the program significant improvement in the quality of care for Medicare beneficiaries. Our surveys have shown Physician Groups and Hospitals have accomplished this with a substantial investment of their own capital and operating funds totaling almost a \$1 billion to date. While CMS states half of the 220 first year ACOs saved money, only 52 actually received shared savings and that amount was only 50 percent of the total savings achieved. “We hope the comment letters from NAACOS and the other major healthcare organizations in the country will convince CMS to make large-scale improvements to the ACO program”, said Stephen Nuckolls, Chair, NAACOS Policy Committee and CEO, Coastal Carolina Quality Care, Inc.

In summary, Gaus noted, “NAACOS believes that ACOs continue to be the most promising market-based solution to improving quality and lowering healthcare cost growth. We hope to work with CMS, the Administration and the Congress to make further adjustments to the program so that more Medicare beneficiaries and providers are able to participate and benefit from the program’s success”.

Other organizations cooperating in this historic joint effort include the American Academy of Family Practice, American College of Physicians, American Medical Association, American Medical Group Association, Association of American Medical Colleges, Medical Group Management Association, National Coalition on Health Care, Premier healthcare alliance, Trinity Health, and Universal American Collaborative Health Systems. Many other organizations have co-signed a shorter comment letter with NAACOS.

For copies of the full letter and an executive summary, visit www.NAACOS.com.

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About National Association of ACOs

NAACOS is a non-profit organization that enables accountable care organizations to work together to increase quality of care, lower costs and improve the health of communities. Our membership currently includes over 140 ACOs in 27 states, and our board includes ACO executives and experts from across the country.