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For Immediate Release:

New OIG report says ACOs show promise in reducing spending and improving quality

The Office of the Inspector General (OIG) of the U.S. Department of Health and Human Services (HHS) released a report confirming that, in the initial three performance years, Accountable Care Organizations (ACOs) increased quality of care while lowering the cost of care for the Medicare beneficiaries they served. During the time of the study, ACOs achieved a net spending reduction of nearly \$1 billion.

OIG studied beneficiary and provider data from the Centers of Medicare & Medicaid Services (CMS), as well as spending and quality data from the first three years of ACOs in the Medicare Shared Savings Program (MSSP). The OIG also analyzed spending and utilization data to isolate high-performing ACOs to determine how they reduced spending and made changes to utilization for key services.

The conclusion of the analysis found: **“With any major payment reform, time may be needed for organizations to make changes to improve quality and lower costs. While policy changes may be warranted, ACOs show promise in reducing spending and improving quality. However, additional information about high-performing ACOs would inform the future direction of the Shared Savings Program as well as other alternative payment models.”**

Clif Gaus, President and CEO of the National Association of ACOs responded, “On behalf of NAACOS members, we were pleased to see the report and can say the conclusion was not a surprise. As we have seen among our membership, coordinating Medicare beneficiaries care through ACOs continues to increase quality scores and lower the cost of care year after year. The longer ACOs stay in the MSSP, performance year results continue to improve. Today’s OIG report is another piece of evidence that allowing ACOs participating in the MSSP in the Track 1 model should be allowed to do so for more than two three-year agreement periods.”

Track 1 ACOs, which have no down-side risk if they have spending higher than their benchmarks, can only participate in that track for two three-year agreement periods. The first cohort of ACOs will be forced to move to a two-sided risk model or discontinue participation in the program in 2019.

To see the summary, click [here](#). To download the full report, click [here](#).

About ACOs

The ACO model is a market-based solution that relies on local groups of physicians, hospitals and other providers who are responsible for the total cost of care for their patients. ACO providers must work together to improve health care quality, enhance patient experience, and reduce costs.

About NAACOS

NAACOS is the largest association of Medicare ACOs, representing over 3.7 million beneficiary lives through 250 MSSP, Next Generation, and Commercial ACOs. NAACOS is an ACO member-led and member-owned non-profit organization that works on behalf of ACOs across the nation to improve the Quality of Medicare delivery, population health and outcomes, and health care cost efficiency. For more information, visit www.naacos.com

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