



IMPROVING ACOS IN 2017

The National Association of ACOs (NAACOS) looks forward to working with the incoming presidential administration and the 115th Congress to continue developing health care policies that support the accountable care organization (ACO) model.

ACOs are market-based solutions that rely on groups of physicians, hospitals, and other providers working together to improve health care quality, enhance patient experience, and reduce costs for millions of patients. To date, there have been more than 470 Medicare ACOs in the country with more than 250,000 providers caring for 8.9 million beneficiaries. ACOs are proving to be one of the most promising solutions to bend the cost curve and provide high-quality patient care. In 2015, Medicare ACOs returned \$466 million to the Medicare Trust Fund. It's important to note that physician groups and hospitals have been coordinating care in a Medicare accountable care model for several years, starting with the Physician Group Practice Demonstration Program passed under President George W. Bush's administration in 2000. The Patient Protection and Affordable Care Act (ACA) expanded opportunities for ACOs by formally establishing the Medicare Shared Savings Program (MSSP), which was further reinforced through passage of the bipartisan Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).

Because of the importance of ACOs in health care delivery, NAACOS continues to advocate for policies that would improve how beneficiaries receive their care, as well as allow our ACOs to flourish in this program. For example H.R. 6101, the "ACO Improvement Act of 2016," provided operational improvements for both patients and providers, such as primary care cost-sharing and telemedicine waivers across all ACOs, choice of two particular models (prospective or retrospective) for how beneficiaries are assigned to an ACO, and the ability for ACOs to move up tracks and accept greater risk on an annual basis. We look forward to reintroducing similar language in 2017 and working with Congress to sign it into law.

As the movement toward repealing and replacing the ACA progresses, NAACOS urges Congress to carefully separate payment and coverage from bipartisan efforts to reform the Medicare delivery and payment system and ensure Medicare's long-term solvency. As Congress tackles payment and coverage issues related to the ACA and individual health insurance market, it must be careful not to inadvertently disrupt or negate its own important work reforming Medicare. It is essential to protect that progress that affects millions of Americans who receive care from an ACO and the providers who have invested their time and income to build an ACO.

The Centers for Medicare and Medicaid Services (CMS) will continue to play a critical role designing policies that determine how successful the Medicare ACO program will be and whether this model will be able to flourish and live up to its true potential. NAACOS continues to work

closely with CMS and to advocate for a number of policy changes necessary to ensure the future of the Medicare ACO model. Developing a new ACO option, Track 1+, is of particular importance for the coming year. NAACOS supports introducing Track 1+, which would incorporate downside risk for the ACO's patient population but do so in a more gradual, appropriate manner in comparison with the high levels of risk required in current downside ACO risk models. We feel that Track 1+ represents a missing link in the Medicare ACO program, and we have a number of key [recommendations](#) for implementation.

In addition to advocacy on Track 1+, NAACOS has a number of key policy recommendations, including:

- Limit regulatory burdens facing ACOs and allow them greater flexibility to focus on coordinating care for beneficiaries rather spending time meeting onerous government requirements.
- Address the problematic interactions between the MSSP and other CMS programs.
- Include Track 1 as Advanced Alternative Payment Models (APMs) under MACRA.
- Recognize the value of the one-sided risk model, which represents more than 90 percent of Medicare ACOs, and allow ACOs to select this option for more than two agreement periods.
- Develop a mechanism to account for the substantial investments ACOs make (on average, [\\$1.6 million](#) annually) and include them in CMS's determinations of meeting Advanced APM risk under MACRA.
- Address ongoing concerns and limitations of MSSP risk adjustment by allowing risk scores to increase year-over-year for an ACO's continuously assigned beneficiaries.

In closing, this is an exciting and transformational time in health care. NAACOS wants to a partner and a resource to our nation's policy makers as the leading voice of accountable care organizations.