

News Release
April 14, 2020



NAACOS Statement on MedPAC's Position on ACOs During COVID-19

Attributed to Clif Gaus, Sc.D., President and CEO of the National Association of ACOs

The Medicare Payment Advisory Commission's (MedPAC) [recommendation](#) to ignore shared savings in 2020 would devastate Medicare ACO programs. In 2018, Medicare paid ACOs back roughly \$900 million of the \$1.7 billion they saved. ACOs used that money to pay for quality improvement programs, care coordinators, health IT, analytics and other infrastructure. Without those funds, ACOs will no longer have resources to focus on improving quality and addressing chronic disease, which help improve patient care. The impact of the pandemic will play out differently from region to region and market to market. To gut the savings opportunity before the data are in is presumptuous at best.

There are several other policy options MedPAC should be considering, including holding at-risk ACOs harmless, allowing ACOs the option to forego less in shared savings in order to take less risk, allowing ACOs to change their risk track, or extending the dropout deadline to give more time to understand how COVID-19 will play out in coming months. Ten leading provider organizations' [suggestion](#) of holding downside risk ACOs harmless would importantly provide a safety net for ACOs hit hardest by the ongoing pandemic. MedPAC wants to pretend the year never happened.

MedPAC has consistently underplayed the value ACOs bring to Medicare payment reform. ACOs have saved Medicare billions of dollars and have done more to lower spending in a decade than all other reform efforts to date. Let's hope CMS doesn't accept this advice that would have detrimental effects on Medicare's overall shift to value.

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About NAACOS. The National Association of ACOs (NAACOS) represents more than 12 million beneficiary lives through hundreds of organizations participating in population health-focused payment and delivery models in Medicare, Medicaid, and commercial insurance. Models include the Medicare Shared Savings Program (MSSP), Next Generation ACOs, and alternative payment models supported by a myriad of commercial health plans and Medicare Advantage. NAACOS is a member-led and member-owned nonprofit organization that works to improve quality of care, outcomes, and healthcare cost efficiency.