

News Release
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MEDIA ADVISORY: *Health Affairs* Publishes Blog Outlining the Superiority of Accountable Care Models

New White House Urged to Prioritize ACO Models in its Value-Based Care Work

As the Biden-Harris administration starts its transition work and crafts its policy priorities, an evaluation published today of different alternative payment models (APMs) outlined the success of accountable care organization (ACO) models, which make providers financially responsible for all of patients' spending over the course of a year. Compared to APMs that focus on discrete episodes of care or patients' medical homes, ACO models have generated savings while maintaining quality of care. As such, Clif Gaus, NAACOS president and CEO, and David Pittman, NAACOS policy and communications advisor, argue in a *Health Affairs* Blog published today that the Biden-Harris administration should focus their attention on ACO models as they work to change the way Medicare pays hospitals, doctors and other providers.

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FROM THE BLOG POST: *After years of testing a myriad of APMs, data show that population-focused, total-cost-of-care models are consistently producing savings that episodic-based or disease-specific models are not. While CMS continues to experiment by rolling out new models and finetune existing ones, we have enough evidence now to support what is working better. Based on these results, it may be time to slow the proliferation of narrowly focused APMs and place priorities on how to expand and improve the population-focused accountable care model.*

Among the data NAACOS points to:

- Data show ACOs are lowering Medicare spending annually by 1 to 2 percent. Knowing Medicare Parts A and B [cost \\$636 billion](#) in 2018, a 2 percent reduction in spending would save nearly \$200 billion when compounded over a decade, assuming Medicare spending would grow at 4.5 percent per year without ACOs.
- CMS's Bundled Payments for Care Improvement found Medicare spending increased after payments to participants were reconciled. Comprehensive Primary Care Plus was found to have

fee-for-service spending 2 to 3 percent higher than comparison practices after accounting for incentive payments.

- MedPAC estimates Medicare Advantage enrollees cost on average about \$1,000 per patient per year more than traditional Medicare patients. Conversely, the commission estimates Medicare ACOs are reducing costs by 1 to 2 percent compared to traditional Medicare.
- ACOs hit an average quality score of more than 94 percent in 2019. Also, the Health and Human Services Inspector General found ACOs outperformed fee-for-service providers on most quality measures and improved quality over time in the program.
- Based on [interviews](#) with selected organizations, population-focused organizations like ACOs are uniquely positioned both to early identify patients at risk and to manage the comorbidities of COVID-19 pandemic survivors.
- ACOs offer a way for independent physician practices to receive the benefits of operating in a larger organization without having to merge with a hospital or health system.
- After a decade, we have enough knowledge to know we should focus on ACOs in our delivery system reform efforts, although we recognize that there may be other models worth exploring if they don't interfere with total-cost-of-care models.

NAACOS this week congratulated President-elect Biden and Vice President-elect Harris on their victory and [urged](#) the new administration to prioritize payment and delivery system reform in its work. In its upcoming work, policymakers should look for areas of bipartisan agreement, and advancing value-based payment is one area ripe for attention. The Biden-Harris administration should act on ways to promote participation in and savings from alternative payment models like ACOs.

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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.