

News Release  
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## **Legislation to Spur ACOs and APMs Estimated to Save Medicare \$270 Million** *Value in Health Care Act Would Reinforce Care and Payment Transformations*

**WASHINGTON** – Recently introduced legislation to spur the adoption of accountable care organizations (ACOs) and other alternative payment models (APMs) is estimated to save Medicare \$270 million over the next decade, a new analysis shows.

At the request of NAACOS, the Moran Company used statistical modeling to replicate how the Congressional Budget Office (CBO) might “score” the Value in Health Care Act ([H.R. 7791](#)). [The analysis](#) found that the legislation could increase participation in ACOs, which have shown to lower Medicare spending, thereby creating more financial savings for Medicare than ACO and APM incentives in the bill, such as increased shared savings rates.

“In its most recent [final rule](#), CMS estimated that APM incentive payments for the 2020 performance year would total between \$535 million and \$685 million,” the Moran Company’s report stated. “While these payments are significant, we believe that they play a material role in driving participation in the sorts of ACOs likely to realize some of the higher levels of savings that CBO initially expected from the MSSP.”

[The bill](#), called the Value Act for short, strengthens the Medicare Shared Savings Program (MSSP) by updating the program to recognize and reward ACOs. Specifically, the bill increases shared savings rates, updates risk adjustment rules, eliminates the artificial distinction between “high” and “low” revenue ACOs, addresses ACOs’ “rural glitch,” and restarts the [ACO Investment Model](#). The bill also reinforces the shift to value-based care by extending the 5 percent Advanced APM bonus for an additional six years, modifying the threshold to achieve that 5 percent bonus, and authorizing a study of the overlap of various Medicare APMs.

“The Value Act should be a cornerstone of future actions Congress should take to improve our health system,” said Clif Gaus, Sc.D., president and CEO of the National Association of ACOs. “Lawmakers shouldn’t neglect a bill that can save the federal government money. Plus, there should be no debate that our health system needs more accountable care models, which have proven to lower spending and improve quality.”

The legislation, introduced last month, was supported in [a letter](#) sent by 13 leading healthcare organizations to the bill's sponsors, Reps. Peter Welch (D-Vt.), Suzan DelBene (D-Wash.), and Rep. Darin LaHood (R-Ill.).

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**Contact:**

David Pittman

NAACOS Health Policy and Communications Advisor

202-640-2689 or [dpittman@naacos.com](mailto:dpittman@naacos.com)

**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