



## **NAACOS Voices Support for Provider-Led Direct Contracting Entities** *Letter Offers Recommendations to Help Providers in the Model*

**WASHINGTON** — In a letter sent today to Centers for Medicare and Medicaid Services (CMS) Administrator Chiquita Brooks-LaSure (attached), the National Association of Accountable Care Organizations (NAACOS) reiterated its support of provider-led Direct Contracting Entities (DCEs), amid recent scrutiny from advocates calling for the model to be stopped entirely.

“Stopping [the Global and Professional Direct Contracting Model] GPDC would undermine the country’s move away from a volume-based, fee-for-service system and damage our collective efforts to transition to a value-based payment system,” NAACOS President and CEO Clif Gaus, Sc.D., wrote in the letter. “Population health models are sorely needed to incentivize our health system to care for patients’ long-term health needs, and total cost of care models have proven to be superior to other efforts over the last decade in bending the cost curve.”

There’s a great deal of misinformation being shared about GPDC. The model offers more benefit enhancements and incentives through flexibilities and innovation in traditional Medicare, while protecting traditional Medicare’s hallmark freedom of choice for patients to see any willing provider. There is no prior authorization, and DCEs must inform patients of their assignment to a DCE. Beneficiaries maintain all of the rights and freedoms they receive under traditional Medicare, with added benefits aimed at whole person care.

NAACOS urges CMS to support only provider-led DCEs and reiterated [several recommendations](#) for advancing them. These policies include creating a level playing field between new entrants and historically successful DCEs by making adjustments to the benchmarking methodology, reducing the mandatory discount applied to Global DCEs, increasing the shared savings rate for Professional DCEs to 75 percent, among others. Additionally, continuing GPDC would allow CMS to test tools to potentially address equity, including increasing benchmarks to benefit ACOs treating vulnerable populations, developing a Medicare service to allow ACOs to bill for things like beneficiary transportation, and providing additional flexibility with Medicare rules for ACOs to deliver supplemental benefits to patients to help address health equity.

“Despite some of the concerns being raised by certain advocates, we shouldn’t walk away from what we’ve learned to date, which is that accountable care models work,” the letter states. “As you outlined in the [recent strategy refresh](#) for the Innovation Center, there are lessons to be applied in future work, and NAACOS remains fully committed to the transition to value-based care and is ready to work with you to achieve our mutual goals.”

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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.