

News Release
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NAACOS Statement of Support for New ACO REACH Model

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

Today's announcement by the Centers for Medicare & Medicaid Services (CMS) to keep the Direct Contracting Model, albeit with numerous changes and a new name, is the right decision for both traditional Medicare patients and the future of value-based care. Many of the criticisms against Direct Contracting were a product of great misunderstanding about the model and the overall shift to value-based payment. Instead, keeping the model with additional focus on equity, increased provider governance, improvements to risk adjustment, and other changes is best moving forward.

In spite of the rhetoric being used, traditional Medicare patients need more access to coordinated care and providers who are accountable for their quality and total cost of care. When a patient's doctor is accountable for their outcomes, patients are more likely to have team-based care, care coordinators helping their transitions out of hospitals, an emphasis on prevention and chronic disease management, and more efficient care through telehealth or home visits, all of which leads to higher quality care and lower out of pocket costs for patients. ACO models are helping improve our healthcare system and produce better outcomes for patients.

The Innovation Center also today released the names of the 99 organizations participating in Direct Contracting in 2022. Most of these are provider-led entities, which is the type of participant NAACOS has advocated in support of.

BACKGROUND

Direct Contracting is the next premier accountable care model from the CMS Innovation Center and seeks to build on the successful Next Generation ACO Model, while redesigning and testing innovation in healthcare delivery and payment. The model offers higher levels of risk and reward compared to other ACO models, while providing additional waivers and flexibilities. Following word that the Biden administration might terminate the program, NAACOS [led a letter](#) that had more than 200 organizations pledge support for Direct Contracting. We [advocated hard](#) in support of provider-led Direct Contracting Entities with many of the changes CMS announced today.

Information on the participating Direct Contracting Entities (DCEs) is available on this [webpage](#). Of the 99 DCEs participating this year, 72 selected the Global risk sharing option and 27 have selected the Professional risk sharing option. In 2022, there are 78 Standard DCEs, 13 New Entrant DCEs, and 8 High

Needs Populations DCEs. There were 53 DCEs who participated in the first performance year, which lasted from April 1 to December 31, 2021.

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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), Global and Professional Direct Contracting Model, 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.