

News Release
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44 House Lawmakers Push for Extension of Value-Based Care Incentives

Participation in Alternative Payment Models Set to Slow If Incentives Expire

WASHINGTON — The National Association of ACOs (NAACOS) today praised the more than 40 House lawmakers who support extending a 5 percent incentive payment in Medicare for physicians and other clinicians who practice in value-based payment models. The members of Congress made their request in a [bipartisan letter](#) sent today to House Speaker Nancy Pelosi and Minority Leader Kevin McCarthy.

Unless Congress extends the incentive by December 31, millions of patients will lose access to value-based care. Today, roughly 300,000 clinicians receive this 5 percent incentive on their Medicare payments, with risk-bearing accountable care organizations being the dominant mechanism to secure the payment. Expiration of these incentives will discourage future participation in models that have seen growing uptake in recent years. More than 800 ACOs, health systems, and physician group practices asked Congress to save the incentive in [a letter](#) sent in late September.

“We’ve learned this 5 percent incentive is a key driver to moving more providers into value-based payment models. In the Medicare Shared Savings Program, half of ACOs are taking on financial risk today, compared to less than 10 percent in 2017 when the incentives first became available,” said NAACOS President and CEO Clif Gaus, Sc.D. “We know advanced alternative payment models improve patient outcomes and experience by giving physicians and other providers tools to innovate and better coordinate care. These providers deliver higher quality care at lower costs.”

The incentive allows ACOs to reinvest in care transformation initiatives that benefit patients—like care coordination efforts, services that address social determinants of health, and technology that improves patient engagement. As a result, ACOs [generated](#) \$3.6 billion in gross savings in 2021, far exceeding the \$613 million CMS paid in 2022 incentive payments. Value-based care has slowed the rate of growth of health care spending, saving more than \$600 billion.

Today’s letter was signed by 44 lawmakers, 28 Democrats and 16 Republicans, including:

Peter Welch (D-VT); Darrin LaHood (R-IL); Suzan DelBene (D-WA); Brad Wenstrup (R-OH); Earl Blumenauer (D-OR); Michael Burgess (R-TX); Cynthia Axne (D-IA); Nanette Barragán (D-CA); Ami Bera (D-CA); Sanford Bishop (D-GA); Lisa Blunt Rochester (D-DE); Brendan Boyle (D-PA); Larry Bucshon (R-IN); Lou Correa (D-CA); Neal Dunn (R-FL); Jake Ellzey (R-TX); Drew Ferguson (R-GA); Brian Fitzpatrick (R-PA); Jared Golden (D-ME); Josh Gottheimer (D-NJ); Dusty Johnson (R-SD); Daniel Kildee (D-MI); Derek Kilmer (D-WA); Raja Krishnamoorthi (D-IL); Ann Kuster (D-NH); James McGovern (D-MA); Daniel Meuser (R-PA); Carol Miller (R-WV); Mariannette Miller-Meeks (R-IA); Joseph Morelle (D-NY); Markwayne Mullin (R-OK); Greg Murphy (R-NC); Tom O'Halleran (D-AZ); Jimmy Panetta (D-CA); Stacey Plaskett (D-VI); Brad Schneider (D-IL); Kim Schrier (D-WA); Terri Sewell (D-AL); Mikie Sherrill (D-NJ); Adrian Smith (R-NE); Darren Soto (D-FL); Thomas Suozzi (D-NY); Mike Thompson (D-CA); Jeff Van Drew (R-NJ).

"It's clear that MACRA's investments in value-based care have provided a strong return for the government that can continue providing savings in the future, while encouraging the kind of proactive, coordinated health care delivery that patients want and deserve," the letter stated.

NAACOS and five others this week [launched](#) the [Alliance for Value-Based Patient Care](#), a coalition of major U.S. health care organizations to support federal policies that promote and reward value in health care delivery.

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About NAACOS. The National Association of ACOs (NAACOS) represents more than 8 million beneficiary lives through Medicare's population health-focused payment and delivery models. NAACOS is a member-led and member-owned nonprofit of more than 400 ACOs in Medicare, Medicaid, and commercial insurance working on behalf of health systems and physician provider organizations across the nation to improve quality of care for patients and reduce health care cost.