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9 Stakeholder Groups Urge CMS to Ensure Continued Success of ACO Program

WASHINGTON, D.C. – Nine organizations today wrote Seema Verma, administrator for the Centers for Medicare & Medicaid Services (CMS), regarding the agency’s August 17 proposed [rule](#) for the Medicare Shared Savings Program (MSSP).

Recognizing that the proposed “Pathways to Success” program would create several positive changes and includes a number of improvements the value-based community has previously recommended, the groups expressed their support for CMS’s efforts to increase stability and predictability in the program and provide new program flexibility and regulatory burden relief. The groups also explained their concerns about CMS’s proposals to reduce the time new ACOs have in shared savings-only models from six to two years and to decrease the shared savings rate from 50 percent to 25 percent. The letter urges CMS to instead allow more time for ACOs in a shared-savings only model and to apply a shared savings rate of at least the current 50 percent to ensure a viable business model.

“Our recommendations reflect our unified desire to see the MSSP achieve the long-term sustainability necessary to enhance care coordination for Medicare beneficiaries, lower the growth rate of healthcare spending and improve quality in the Medicare program,” the groups wrote. “Program changes that deter new entrants would shut off a pipeline of beginner ACOs that should be encouraged to embark on the journey to value, which is a long-standing bipartisan goal of the Administration and Congress and important aspect of the Quality Payment Program.”

The MSSP, which has origins dating back to the George W. Bush administration, now includes 561 ACOs, covering 10.5 million beneficiaries, making it the largest value-based payment program in Medicare. Recent data from 2017 [show MSSP ACOs](#) generated \$1.1 billion in gross savings to Medicare and netted \$314 million to the Medicare Trust Fund after accounting for payments ACOs receive for hitting quality and spending targets. An [analysis](#) published by Dobson DaVanzo & Associates found the MSSP generated \$1.84 billion in gross savings to Medicare between 2013 and 2015 and netted \$542 million. Meanwhile, ACOs have demonstrated consistent quality improvement. Further, the stability of the program and benefits of these transformations extend beyond the ACO’s attributed Medicare fee-for-service patient population and have a broader effect on Medicare Advantage beneficiaries and even patient populations beyond Medicare.

Organizations submitting the joint letter include:

Association of American Medical Colleges
American College of Physicians
America's Essential Hospitals
America's Health Insurance Plans
American Medical Association
Health Care Transformation Task Force
Medical Group Management Association
National Association of ACOs
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