

News Release  
May 7, 2019



### APG, NAACOS and Premier Urge HHS to Certify Next Generation ACO Model

**WASHINGTON** – Today three health care organizations leading the charge on value-based payment reform asked Health & Human Services (HHS) Secretary Alex Azar to make the Next Generation Accountable Care Organization (Next Gen ACO) Model a permanent part of the Medicare Shared Savings Program (MSSP).

The HHS Secretary has the authority to certify Center for Medicare & Medicaid Innovation (Innovation Center) demonstrations as permanent fixtures in Medicare if the models save money and improve quality. America's Physician Groups (APG), the National Association of ACOs (NAACOS), and the Premier healthcare alliance sent a [letter](#) to Azar and Centers for Medicare & Medicaid Services Administrator Seema Verma highlighting how the program meets that criteria.

Next Gen ACOs saved Medicare \$62 million after accounting for shared savings and losses, according to the first-year evaluation. Initial analysis of second-year results show Next Gen ACOs netted at least \$165 million to Medicare in 2017. Quality was also improved in the form of fewer acute care hospital stays and more annual wellness visits. The Innovation Center launched the Next Gen program in 2016.

The letter comes two weeks after the Innovation Center announced a new Direct Contracting Model, with CMS officials noting that this new program builds off of the Next Gen program. The groups ask HHS to certify the Next Gen program as soon as possible so those ACOs can have time to evaluate their participation decisions for the new models or choose to remain in the existing Next Gen Model under MSSP.

The Next Gen ACO Model is scheduled to sunset at the end of 2020. At the end of 2018, 51 Next Gen ACOs cared for nearly 2 million Medicare beneficiaries. HHS has precedent in expanding Innovation Center demonstrations. In 2015, the Pioneer ACO Model gained certification and later CMS designed Track 3 of the MSSP after the successful Pioneer Program.

The organizations also outline several ways to improve the Next Gen Model, including ways to promote program flexibility and stability through benefit design, accounting for sicker patients, and other areas.

“Next Generation ACOs have been a pillar of success, and CMS Administrator Seema Verma has acknowledged it’s a model for moving providers to more risk,” the three groups said. “HHS should seize this opportunity and provide Next Gen ACOs a permanent home in Medicare to help spread their benefits to patients and providers participating in value-based payment models.”

###

**Contact:**

David Allen  
Director of Communications  
America's Physician Groups  
202-770-1901 or  
[dallen@apg.org](mailto:dallen@apg.org)

David Pittman  
Health Policy and  
Communications Advisor  
National Association of ACOs  
202-640-2689 or  
[dpittman@naacos.com](mailto:dpittman@naacos.com)

Amanda Forster  
Vice President, Public Relations  
Premier Inc.  
202-879-8004 or  
[amanda\\_forster@premierinc.com](mailto:amanda_forster@premierinc.com)

**About America's Physician Groups.** [America's Physician Groups](#) is the nation's leading professional association for accountable physician groups, composed of over 300 medical groups and independent practice associations (IPAs). America's Physician Groups' members operate under a capitated, coordinated care model that is the essence of the nation's health reform movement from volume to value.

**About NAACOS.** The National Association of ACOs (NAACOS) is the largest association of Medicare ACOs, representing more than 6 million beneficiary lives through 360 MSSP, Next Generation and Commercial ACOs. NAACOS is an ACO member-led and member-owned nonprofit organization that works on behalf of ACOs across the nation to improve the quality of care, population health and outcomes, and healthcare cost efficiency.

**About Premier Inc.** Premier is a leading healthcare improvement company, uniting an alliance of more than 4,000 U.S. hospitals and health systems and approximately 165,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare.