

**News Release**  
**August 4, 2020**



**NAACOS Statement on CMS's Proposed 2021 Medicare Physician Fee Schedule**  
*Attributed to Clif Gaus, Sc.D., President and CEO of the National Association of ACOs*

In the midst of a global pandemic and public health emergency, the Centers for Medicare & Medicaid Services (CMS) has unnecessarily proposed to completely change how ACOs are measured and report quality, replacing the current approach with a new framework and a higher performance standard. At a time when healthcare providers continue to battle the COVID-19 pandemic, CMS's proposal to increase performance standards and make massive changes to assessments and measures is unfair and ill-timed.

Specifically, CMS is replacing existing measures with new ones and getting rid of the reporting mechanism ACOs have relied on for years, forcing ACOs to evaluate and implement new reporting strategies with little notice. It is a considerable undertaking for ACOs to move to a new reporting process, especially while they are focused on battling a pandemic.

Quality has always been a hallmark of Medicare ACO programs. No matter how much money ACOs save Medicare, they earn nothing in shared savings if they don't hit certain quality standards, further incentivizing the best care. As a result, ACOs have outperformed fee-for-service Medicare on quality and help set the standard by which others should follow. These proposed changes are unnecessary and on balance punitive, especially if implemented during a pandemic.

NAACOS appreciates CMS's proposals to expand telehealth and increase payment rates for primary care services. However, if all of these changes are finalized and take effect next year, there will be scant time for providers to prepare. This year's proposed fee schedule was published historically late — and the final rule may also be after the statutory deadline of November 1 — giving much less time to understand, comment on, and prepare for changes if finalized.

Another focus of the proposed rule is to update the Quality Payment Program for 2021, which will be the fifth year of the landmark Medicare effort to shift providers to value-based care, through participation in Advanced Alternative Payment Models (Advanced APMs), such as ACOs. Unfortunately, due to unrealistic increases in required thresholds for earning the Advanced APM bonus, known as Qualifying APM Participant (QP) thresholds, CMS estimates fewer providers will earn the bonus based on 2021 performance as compared to the last two years. Additionally, according to CMS's proposal, the maximum bonuses for remaining in the default program, the Merit-based Incentive Payment System or MIPS, and avoiding the shift to value will be up to 50 percent greater than the incentive for participating in an Advanced APM.

While CMS proposes slight QP modifications to assist certain providers in meeting the thresholds, that is not nearly enough to overcome the considerable jump in requirements, which is mandated by law. NAACOS urges Congress to pass the Value in Health Care Act (H.R. 7791), which, among other changes to support the shift to value, corrects the flawed QP thresholds. Without Congressional action, the transition to value will stall — just as the country faces an unprecedented health crisis and needs value-based care more than ever.

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**Contact:**

David Pittman

NAACOS Health Policy and Communications Advisor

202-640-2689 or [dpittman@naacos.com](mailto:dpittman@naacos.com)

**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.