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NAACOS Testifies Before House Committee

Hearing Gave a Chance to Discuss Medicare's Recent Proposed ACO Rule

WASHINGTON, D.C. – The chief medical officer of [Covenant Health Partners](#) in Lubbock, Texas, Michael Robertson, testified today on behalf of the National Association of Accountable Care Organizations (NAACOS), before the House Energy and Commerce health subcommittee on barriers to moving toward value-based, patient-centered care.

The [hearing](#), entitled *Examining Barriers to Expanding Innovative, Value-Based Care in Medicare*, gave a chance to raise concerns with the Centers for Medicare & Medicaid Services' (CMS) August 17 proposed [rule](#) on the Medicare Shared Savings Program (MSSP).

"If we had not already had a clinically integrated network in place, where we had already done much of the work to get ready for MSSP participation, it is unlikely that we would have made the decision to participate in the MSSP," Robertson wrote in his [testimony](#). "Two years is not enough to take on risk. It took us 11 years, and we are still working on it."

CMS is proposing to shorten the time new ACOs can remain in the shared-savings-only model from the current six years to two years. Data show ACOs need more than two years to begin showing the benefits of operating an ACO. That proposal coupled with CMS's move to cut shared savings in half — from 50 percent to 25 percent for shared-savings-only ACOs — would deter new Medicare ACOs from forming.

NAACOS has called for the final rule to increase the time ACOs can spend in models without downside-risk to at least three years for shared-savings-only models, while allowing ACOs that meet quality or cost standards additional years. CMS should also rescind its proposed decrease in the shared savings rate, which undermines the business model for ACOs. NAACOS appreciates the move toward more stability with five-year agreement periods, additional waivers, beneficiary incentives and other aspects of the proposed rule.

"Participation in the MSSP has allowed us to reinvest in technology and infrastructure to manage our patient population. In our first year of participation in the MSSP, we saved Medicare \$5 million and our share was \$2.5 million," Robertson said. "We used the bulk of those funds to reinvest in our IT infrastructure and developed a physician dashboard where quality data such as adhering to evidence-based practices for chronic disease management and preventative care like pneumococcal vaccines and colonoscopies for our patients are displayed."

Subcommittee Chairman Michael Burgess in his opening statement recognized that value-based care models have been effective at improving quality and lowering costs. “Models have grown broader and incentives more innovative as we have seen accountable care organizations and bundled payment programs, which address both quality and costs, take off across the country,” Burgess said. “These models are the future of health care, and it is important that Congress hear from the industry about how the implementation of such models work on the ground or, to the extent it’s not working, it’s important that we hear that as well.”

“We are concerned that policies contained in CMS’s recently released proposed redesign of the MSSP, if finalized, would discourage organizations from participating in value-based care,” Nishant Anand, chairman of the Adventist Health System ACO, who also testified today, wrote in his [testimony](#).

An [independent evaluation](#) published this week found MSSP ACOs generated gross savings of \$1.84 billion for Medicare between 2013 and 2015, nearly double the \$954 million estimated by CMS. Last month, [CMS data](#) showed ACOs generated \$314 million in net savings to Medicare in 2017 after accounting for payments earned by ACOs for hitting spending and quality targets.

The ACO model is a market-based solution to fragmented and costly care that encourages local physicians, hospitals, and other providers to work together and be responsible for improving quality, enhancing patient experience, and reducing waste to keep care affordable while maintaining patient choice. The MSSP is the largest value-based payment model in the United States, growing to 561 ACOs with more than 350,000 providers caring for 10.5 million Medicare beneficiaries in 2018.

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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 health care cost efficiency.