

News Release
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National Health Groups Ask Congress to Include ACO Bill in Reconciliation Package

The Value in Health Care Act Estimated to Save \$280 Million In Next Decade

WASHINGTON — Twelve leading healthcare organizations are asking Congress to include a bipartisan House bill that will accelerate Medicare’s move to value-based payment in the upcoming reconciliation bill. [In a letter](#) sent today to Senate Finance Committee Chair Ron Wyden and House Ways and Means Committee Chair Richard Neal, the groups point to a recent, independent analysis by the Moran Company that shows the Value in Health Care Act (H.R. 4587) would save \$280 million over 10 years.

“As lawmakers look for offsets or ways to fund the estimated \$3.5 trillion new spending in the reconciliation bill, the Value Act provides an avenue to both lower Medicare spending and advance policy to improve our fragmented health system,” said Clif Gaus, Sc.D., president and CEO of the National Association of ACOs (NAACOS).

NAACOS commissioned the [analysis](#) in which the Moran Company used statistical modeling to replicate how the Congressional Budget Office (CBO) might “score” the Value in Health Care Act. The analysis found the legislation could increase participation in ACOs, which have shown to lower Medicare spending, thereby creating more financial savings for Medicare.

“If the Act is successful in expanding provider participation in ACOs, some of the shortfall between the current savings that have been achieved by ACOs and CBO’s prior projections could be realized—providing savings that could exceed the cost of increasing shared savings payment rates and other provisions of the Act that serve to increase payments to ACOs,” the Moran Company’s report stated.

The bill, [called the Value Act for short](#), strengthens the Medicare Shared Savings Program by updating the program to recognize and reward ACOs. Specifically, the bill increases shared savings rates, updates risk adjustment rules, eliminates the artificial distinction between “high” and “low” revenue ACOs, addresses ACOs’ “rural glitch,” and restarts the ACO Investment Model. The bill also reinforces the shift to value-based care by extending the 5 percent Advanced Alternate Payment Model (APM) incentive payments for an additional six years and authorizing a study of the overlap of various Medicare APMs. The bill lastly mandates a report by the Government Accountability Office on health outcomes and racial disparities in Medicare patients cared for by ACO participants compared to traditional Medicare and Medicare Advantage.

The Value Act was introduced last month by Reps. Peter Welch (D-Vt.), Suzan DelBene (D-Wash.), Darin LaHood (R-Ill.), and Brad Wenstrup (R-Ohio). [Fourteen](#) national health stakeholder groups have pledged their support of the bill.

The letter was signed by American Academy of Family Physicians, American College of Physicians, American Hospital Association, American Medical Association, AMGA, America's Physician Groups, Association of American Medical Colleges, Federation of American Hospitals, Health Care Transformation Task Force, Medical Group Management Association, NAACOS, and Premier healthcare alliance.

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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.