

News Release

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Medicare ACO Participation Grows in 2023

National Association of ACOs (NAACOS) See This Year as a Turning Point in ACO Growth

WASHINGTON — The number of accountable care organizations (ACOs) serving Medicare patients will grow slightly in 2023, according to data released today by the Centers for Medicare & Medicaid Services (CMS). With the new participants, there are now 456 ACOs in the Medicare Shared Savings Program, the country’s dominant value-based payment program, while the ACO Realizing Equity, Access, and Community Health (REACH) Model counts 132 participants. The two programs combine to serve 13 million Medicare beneficiaries.

Clif Gaus, Sc.D., president and CEO of the National Association of ACOs (NAACOS), said NAACOS is encouraged by recent changes to the Shared Savings Program and ACO REACH that should grow participation even more in future years to improve patient care for millions of Medicare beneficiaries. “We expect 2023 to be a turning point for ACOs and growth in participation to really accelerate in 2024 thanks to CMS leadership,” Gaus said. “The interest in high-risk models like ACO REACH should be a signal that CMS needs to include more high-risk options in the Shared Savings Program with many of the features of REACH.”

CMS last year finalized several changes to the Shared Savings Program that will encourage providers to join ACOs, including giving up-front investment money that’s paid back through shared savings, a slower path to financial risk, more realistic policies around financial spending targets, among other changes. Last year, the CMS Innovation Center made numerous updates to the ACO REACH Model that increase provider governance, place greater emphasis on health equity, and giving additional oversight and patient protections.

In 2021, CMS set a goal to have all traditional Medicare beneficiaries in a care relationship with a provider who is accountable for their quality and total cost of care by 2030. It’s a goal NAACOS strongly supports. Participation in the Shared Savings Program peaked in 2018 with 561 ACOs but has fallen since new CMS rules that force ACOs into financial risk faster took effect.

Other important numbers from 2023 participation data:

- 10.9 million beneficiaries are cared for by MSSP ACOs and 2.1 million cared for by REACH ACOs
- 67 percent of Shared Savings Program ACOs are in two-sided risk and 33 percent are in one-sided risk
- Nearly 704,000 physicians and other non-physicians are in ACOs
- More than 1,450 hospitals are in ACOs
- There are 24 REACH ACOs in the Professional risk track and 108 in the Global risk track
- There are 105 Standard, 13 New Entrant, and 14 High Needs REACH ACOs

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About NAACOS. The National Association of ACOs (NAACOS) represents more than 8 million beneficiary lives through Medicare's population health-focused payment and delivery models. NAACOS is a member-led and member-owned nonprofit of more than 400 ACOs in Medicare, Medicaid, and commercial insurance working on behalf of health systems and physician provider organizations across the nation to improve quality of care for patients and reduce health care cost.