



PRESS RELEASE

MSSP ACOs saved Medicare \$429 million in 2015, show steady improvement over time.

NAACOS comments on third year of ACO performance results

WASHINGTON, D.C., August 25, 2016—Today, the Centers for Medicare & Medicaid Services (CMS) released the 2015 performance data for Accountable Care Organizations (ACO) in the Medicare Shared Savings Program (MSSP). These results provide an important look at early trends for one of Medicare’s premier alternative payment models (APMs) and for individual ACOs, which are still developing and gaining experience in the program.

The National Association of ACOs (NAACOS) is pleased to see that the hard work of ACOs across the country continues to improve quality for Medicare patients. Clif Gaus, President and CEO of NAACOS, commented, *“The quality improvement is very impressive and resonates with the many stories we hear from our members about their clinical improvement practices. The financial results continue to improve, but there are still too many defects in the program requirements to achieve long term stability and success.”* Some of the highlights can be seen in Table 1, below.

Table 1: Performance Years 1-3 (2013-2015) for ACOs in the MSSP. (Data source: [2015 Fact Sheet](#) and [2014 Fact Sheet](#))

Medicare Shared Saving Program ACOs	Year 1: 2013	Year 2: 2014	Year 3: 2015
Amount of savings generated	\$315 Million	\$341 Million	\$429 Million
Total number of ACOs in the MSSP	220	333	392
Number of ACOs that generated savings above the MSR	58	92	120
Percentage of ACOs that generated savings	26%	28%	31%

Despite some positive news on these results, NAACOS is disappointed that the Year 3 performance data did not show stronger financial results for ACOs, which continue to invest heavily in order to enhance quality and care coordination and lower healthcare expenditures. There were 83 ACOs that reduced healthcare costs compared to their benchmark but did not qualify for shared savings because they did not meet minimum savings threshold.

“The results are not as strong as we, and many of our ACO members, had hoped for. But overall we are pleased to see the results show a positive trend for the program. Considering MSSP ACOs are only a few years old, they have accomplished a lot to reduce cost and improve quality. These ACOs are on the front line of redesigning the healthcare industry, and this is a moment to celebrate them and their hard work,” said Clif Gaus.

The ACO program has strong, bipartisan support and is considered an ideal model for the transition from fee-for-service to value-based payment. As seen in the 2015 performance results, ACOs continue to improve patient quality and reduced healthcare costs. However, the program faces a number of challenges. Clif Gaus commented, *“ACOs are at a crossroads, and these results, while positive overall, illustrate that we – and importantly CMS and Congress – need to take swift and decisive action to solidify the foundation of the Medicare ACO program.”* Specifically, NAACOS continues to be deeply concerned about a number of issues that undermine ACOs’ ability to succeed. In response to these challenges, we urge CMS and Congress to:

- Account for the significant investments ACOs make by including them in calculations of risk,
- Mitigate the effect of overlapping APMs by removing ACO beneficiaries from those programs,
- Address shortcomings of existing ACO two-sided risk models, which require untenable levels of financial risk, and introduce a new model with more reasonable risk, and
- Include all ACOs in CMS’s final list of Advanced APMs under the Medicare Access and CHIP Reauthorization Act.

The ACO program represents a refined approach to the delivery of health care and was created to facilitate coordination and cooperation among providers. Overall, NAACOS is pleased with the Year 3 performance results and hopes that CMS and the Administration continue to strengthen the program so that ACOs can focus on what matters the most: improving the quality, experience, and cost of care for their patients.

About NAACOS. The National Association of ACOs (NAACOS) is the largest association of Medicare ACOs, representing over 3.11 million beneficiary lives through 200 MSSP ACOs, Next Generation, Pioneer and commercial ACOs. NAACOS is an ACO member-led and member-owned non-profit organization that works on behalf of ACOs across the nation to improve the quality of Medicare delivery, population health and outcomes, and healthcare cost and efficiency.