

# Value-Based Payment NEWS

## Opinion Mixed on Final 'Pathways' Program's Impact on Move to Value

*Calling Medicare Accountable Care Organizations -- including the Next-Generation Models and the Medicare Shared Savings Program -- "the largest value-based payment model in the country and an essential tool in moving the health system toward better value," the National Association of ACOs cites wins and losses in the final program from the feds.*

**T**he final revisions to the MSSP moved part of the way to what the affected ACOs wanted, but missed the point on many of their strongest demands. Here's what the NAACOS has to say about the federal government's "Pathways to Success" program.

- Overall, ACOs like the Centers for Medicare & Medicaid Services' "effort to provide greater stability with five-year agreement periods and more flexibility through waivers for telehealth and skilled nursing facility stays," says Clif Gaus, Chief Executive at NAACOS.
- And his group is "very pleased CMS returned shared savings rates for many ACOs to the historic precedent of 50% for some and 40% for others, increased the one-sided risk term for certain low-revenues ACOs to three years and made steps forward in needed risk adjustment policies."
- But ACOs still want to talk about "a two-year period in the no-risk model for many ACOs and the distinction between high- and low-revenue ACOs," calling them "policies that may present challenges to providers who want to participate." Movement toward greater risk, the association says, "requires an appropriate and reasonable glide path to encourage participation and success."

Here are specific comments the organization makes:

- **Size of shared savings rates.** "We strongly support savings rates at 40% or 50%, and we look forward to working with CMS to monitor any impact the decreased rate has on ACOs wanting to join the program."
- **Length of shared savings-only models.** "We are pleased that CMS allows three years in a one-sided model for certain low-revenue ACOs, but we remain concerned that it retained the two-year limit for others." ACOs "take time to build IT infrastructure, hire care coordinators and change provider culture," and many have "just a year of performance data available before evaluating the required move to risk."
- **Risk adjustment.** "We are pleased CMS recognizes for the first time the need for no downward adjustment, but wish the cap of 3% would increase to 5% in five years."
- **High/low distinction.** "We are pleased that CMS finalized a new, limited exception to its high/low policy, but we remain concerned that the distinction could deter providers who want to embark on the path of value-based care -- and could unintentionally harm physician-led ACOs."

During rulemaking, CMS should "provide an equal playing field for all ACOs," the association adds. Its analysis of how ACOs would be classified under proposed definitions "found almost 20% of physician-led ACOs would be considered high-revenue,"

### NAACOS Urges Details on Next-Gen Replacement

Medicare's "most advanced ACOs" -- the Next-Generation Model -- generated \$337-million in gross savings, including discounts to Medicare, last year, according to 2017 performance data made public by CMS, NAACOS reports. "After accounting for shared savings paid to ACOs for holding down costs and hitting quality targets, as well as shared losses paid back to the government," a statement says, the Next-Gen program "netted at least \$165 million to Medicare last year alone."

44 Next-Gen ACOs participated, covering 1.2 million Medicare patients. NAACOS says it "urges the Center for Medicare and Medicaid Innovation to move forward with developing more details on an advanced ACO model that will replace the Next-Gen Model and build on its success." The program is slated to end in 2020, although CMS "has promised to release the next iteration before then," the NAACOS statement says, urging the agency to solicit stakeholder feedback. "If shared savings ACOs are the farm system for more advanced models like Next-Gen," Gaus adds, "CMS should seek out ways to encourage ACO growth." Visit [naacos.com](http://naacos.com).

Gaus notes. “Furthermore, Federally Qualified Health Centers and rural health clinics would also have a fair proportion of high-revenue ACOs.” NAACOS is “the largest association of Medicare ACOs,” representing 330 MSSP, Next-Generation and commercial ACOs. Visit [naacos.com](http://naacos.com).