

News Release  
June 3, 2020



### **NAACOS Supportive of Extension of the Next Generation ACO Model**

*Attributed to Clif Gaus, Sc.D., President and CEO of the National Association of ACOs*

The National Association of Accountable Care Organizations (NAACOS) is pleased to see the Trump Administration extend the Next Generation ACO Model through at least 2021, a request we've been making [since last year](#). We are also happy the Centers for Medicare & Medicaid Services (CMS) is making needed changes to other alternative payment models to adjust for the COVID-19 pandemic.

Next Gen ACOs are more advanced, bigger risk-taking ACOs and have successfully met the CMS Innovation Center's goals of improving care quality while lowering Medicare spending. Next Gen ACOs collectively saved \$406 million in 2018 and \$337 million in 2017, the two years for which data are available. Today's move offers Next Gen ACOs an Advanced Alternative Payment Model to participate in for 2021. NAACOS hopes the additional year will give CMS more data on which to make the Next Gen model permanent. We are also pleased to see CMS release details on how the agency will adjust the program to protect ACOs from losses spurred by the COVID-19 pandemic.

Furthermore, NAACOS is glad to see CMS offer a second round of applications to participate in the Direct Contracting Model starting in 2022. While more clarity was offered with the announced April 2021 start date, ACOs and other interested participants need to see more detail about the model's financial aspects, such as how spending benchmarks will be set and how populations will be risk adjusted. CMS hasn't released other information such as when an application period for the April 2021 start date will take place. Direct Contracting offers the next step in accountable care models, and NAACOS looks forward to continuing to work with CMS on its development and implementation.

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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.