

News Release  
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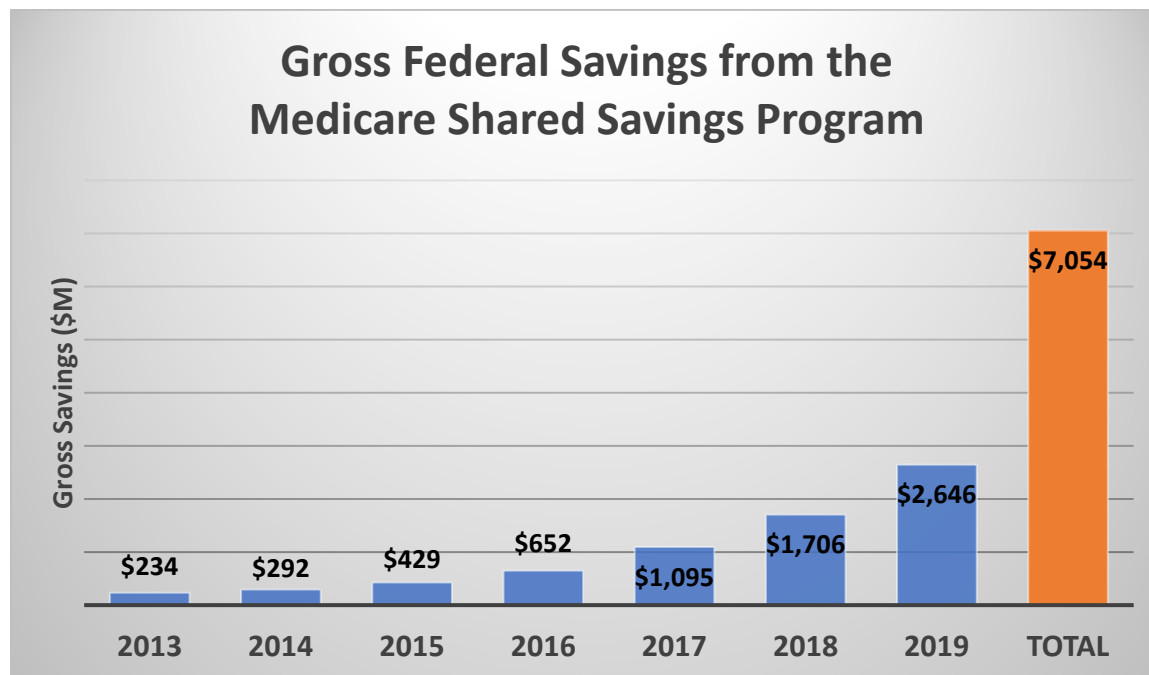


### Accountable Care Organizations Saved Medicare \$2.6 Billion in 2019

*National Association of ACOs Urges Reforms to Increase ACO Growth and Savings*

**WASHINGTON** – Medicare’s largest alternative payment model by far had another record year of savings while continuing to provide high-quality care, as shown by data on 2019 performance released today by the Centers for Medicare & Medicaid Services (CMS). The Medicare Shared Savings Program, the accountable care organization (ACO) model that served 11.2 million seniors in 2019, collectively saved Medicare \$2.6 billion last year, and \$1.2 billion after accounting for shared savings bonuses and collecting shared loss payments.

“These results clearly show that ACOs are helping improve our health system at a time when it’s needed more than ever,” said Clif Gaus, Sc.D., president and CEO of the National Association of ACOs (NAACOS). “When we emerge from the ongoing pandemic, we’ll need alternatives to fragmented fee-for-service and better cost-control strategies, which ACOs provide. There should be no debate that we need to foster the growth of more ACOs so their benefits are delivered to more seniors.”



ACOs are groups of doctors, hospitals, and other providers who come together to take accountability for the cost and quality of patients. They earn the right to share with Medicare savings generated if certain spending and quality metrics are met. Results for all 2019 Shared Savings Program ACOs, which compare the year's spending to pre-set targets, are available in an online [public use data](#) file.

In 2019, 541 Shared Savings Program ACOs cared for 11.2 million beneficiaries.

Last year was the first year under CMS's new ACO structure it calls "Pathways to Success". But only 5 percent of eligible ACOs took CMS's offer to enter the redesigned program structure early and instead chose to remain under the previous MSSP rules. "Unfortunately, 'Pathways to Success' has already shown to diminish ACO participation," Gaus said. "To get program growth back on track, Congress needs to take a close look at the [Value in Health Care Act](#), which makes several improvements to the Medicare ACO program and better incentivizes Advanced Alternative Payment Models."

Other key points from today's ACO results:

- According to CMS communications about the results, 92 percent of eligible ACOs earned quality improvement reward points in 2019, with ACOs showing the greatest improvements in the patient safety and care coordination quality domain. ACOs continued to show better or comparable quality performance on measures compared to other physician group practices.
- ACOs generated net savings to Medicare when we compare them across key categories. Specifically, ACOs in both shared savings-only models and risk-based models had net savings for Medicare, as did ACOs in low- and high-revenue categories, and ACOs in the legacy MSSP models and the new Pathways to Success model.

In addition to the positive 2019 results from CMS, multiple analyses have shown ACOs are lowering Medicare spending by 1 percent to 2 percent, which translates into tens of billions of dollars of reduced Medicare spending when compounded annually.

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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.