

News Release  
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## **Next Generation ACOs Saved Medicare \$559 Million in 2019** *National Association of ACOs Urges CMS to Make Permanent the Program*

**WASHINGTON** – Medicare’s most advanced, greatest risk-taking accountable care organizations – the [Next Generation ACO Model](#) – collectively saved Medicare \$559 million last year, according to partial 2019 performance data made public today. These figures are impressive especially considering this data accounts for only 37 of the 41 Next Gen ACOs participating in 2019.

Importantly, these ACOs also hit an average quality score of 93.7 percent out of a perfect score of 100, improving care for 1.2 million seniors. After accounting for shared savings paid to ACOs for holding down costs and hitting quality targets as well as shared losses and discounts paid to the government, the Next Gen program netted \$204 million to Medicare in 2019 alone. By comparison, Next Gen ACOs saved Medicare \$406 million in 2018 and netted \$185 million after shared savings and losses.

ACOs are groups of doctors, hospitals, and other providers who come together to take accountability for the cost and quality of beneficiaries. They earn the right to share with Medicare savings generated if certain spending and quality metrics are met. Partial results for the 2019 Next Gen ACOs, which compare the year’s spending to pre-set targets, are available in an online [public use data file](#). Four Next Gen ACOs aren’t included because they’ve deferred financial settlement. Citing the COVID-19 pandemic, the Centers for Medicare & Medicaid Services (CMS) extended the Next Gen program, which was due to sunset at the end of 2020, through 2021.

“For every year of the program, Next Gen ACOs yielded savings for Medicare money while also showing an improvement in quality. Very few programs CMS has developed over the years can say that,” said Clif Gaus, Sc.D., president and CEO of the National Association of ACOs (NAACOS). “NAACOS continues to call on CMS to make the Next Gen model a permanent fixture in Medicare, either as a stand-alone program or an option within the Shared Savings Program.”

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**Contact:**

David Pittman  
NAACOS Health Policy and Communications Advisor  
202-640-2689 or [dpittman@naacos.com](mailto:dpittman@naacos.com)

**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.