

News Release

July 29, 2022



NAACOS Celebrates Medicare's 57th Anniversary

Value-Based Care Can Improve Medicare for Years to Come

WASHINGTON – The National Association of ACOs (NAACOS), the leading national organization representing and supporting participants in accountable care models, is celebrating Medicare's 57th Anniversary by recognizing the importance of accountable care in Medicare's future and the role value-based care plays in improving patient care and making the program more financially sustainable.

This month marks the 57th anniversary of Medicare, which provides access to affordable health coverage to more than 65 million seniors and disabled individuals. However, Medicare faces challenges going forward. The [2022 Medicare Trustees Report](#) projected the Part A Trust Fund will be insolvent by 2028. Additionally, the current payment structure doesn't incentivize doctors to keep patients healthy or to reduce unnecessary and inefficient care.

ACOs address these challenges in Medicare. By taking on that accountability, ACOs are motivated to ensure patients have timely access to care, receive the right care in the right setting, and overall work to keep patients healthy, thereby reducing their costs and improving outcomes. Since 2012, ACOs [have saved Medicare](#) more than \$13 billion while providing better care to patients. The recent Medicare Trustees report notes the cost savings generated by ACOs and calls for more investment into these payment models given the potential to further generate cost savings and prolong the Medicare Trust Fund.

NAACOS has been celebrating the role of ACOs as part of the Medicare anniversary. We've been encouraging our members to showcase how their ACO work saves money while delivering high-quality care to beneficiaries. Check out our [About ACO page](#) for videos of providers sharing stories about how value-based care provides better patient care and improves the value of our health system.

ACOs are groups of doctors, hospitals, and other health care providers that voluntarily come together to work collaboratively with the goal of providing better care at lower costs. ACO participants agree to take on accountability for the total costs and quality of care for their patients. ACOs that reduce the total cost of care for their patient populations can share in the savings with the payer. In certain models, they may also be liable to pay back losses if their costs exceed their spending benchmarks. If an ACO doesn't meet the quality standards, shared savings may be reduced, or the ACO may not get any savings at all.

Importantly, data show these ACOs continued to provide high-quality care and yield satisfied patients. Today, ACOs care for nearly 20 percent of all Medicare patients and nearly a third of traditional Medicare patients.

Importantly in Medicare, ACOs allow patients to maintain their choice of provider, and there are no network restrictions or use of prior authorization.

Since its founding in 2012, NAACOS has supported organizations in accountable care models, including the Medicare Shared Savings Program, Pioneer ACO Model, Next Generation ACO Model, and more recently the Global and Professional Direct Contracting and ACO REACH Model. NAACOS represents ACOs and direct contracting entities who collectively represent more than 13 million beneficiary lives under Medicare and commercial contracts. NAACOS and its members are deeply committed to the transition to value-based care.

####

Contact:

David Pittman
Senior Policy Advisor
202-640-2689 or dpittman@naacos.com

About NAACOS. The National Association of ACOs (NAACOS) represents more than 13 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), Global and Professional Direct Contracting, ACO REACH, 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.