

News Release

December 14, 2022



New Senate Bill Extends Value-Based Care Incentives

5 Percent Incentive Set to Expire at Year's End Without Congressional Action

WASHINGTON – The National Association of ACOs (NAACOS), the leading national organization representing and supporting participants in accountable care models, praised the introduction today of a new Senate bill that extends the 5 percent incentive payment in Medicare for physicians and other clinicians who practice in value-based payment models. The bipartisan Preserving Patient Access to Value-Based Care Act (S. 5249) was introduced by Sens. John Barrasso (R-Wyo.) and Sheldon Whitehouse (D-R.I.).

Unless Congress extends the incentive by December 31, millions of patients will lose access to value-based care. Today, roughly 300,000 clinicians receive this 5 percent incentive on their Medicare payments, with risk-bearing accountable care organizations (ACOs) being the dominant mechanism to secure the payment. Expiration of these incentives will discourage future participation in models that have seen growing uptake in recent years.

“Congress will be playing with fire by not extending these critical incentives, which are important to providing patients and our health system with better outcomes and higher quality care,” NAACOS President and CEO Clif Gaus, Sc.D., said. “We realize that there are several competing priorities for lawmakers but hope they recognize the critical role value-based care providers play in improving our health system. We thank Sen. Barrasso and Sen. Whitehouse for their leadership.”

The 5 percent value-based care incentive has broad support from both bipartisan members of Congress and the health system. In November, 44 House lawmakers sent a [bipartisan letter](#) to House Speaker Nancy Pelosi (D-Calif.) and Minority Leader Kevin McCarthy (R-Calif.) urging them to extend the incentive in a year-end package. More than 800 ACOs, health systems, and physician group practices asked Congress to save the incentive in [a letter](#) sent in late September.

[ACOs have saved](#) Medicare more than \$17 billion in gross savings and \$6.5 billion in net savings since 2012. 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.

####

Contact:

David Pittman

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

About NAACOS. The National Association of ACOs (NAACOS) represents more than 8 million beneficiary lives through Medicare’s population health-focused payment and delivery models. NAACOS is a member-led and member-owned nonprofit of more than 400 ACOs in Medicare, Medicaid, and commercial insurance working on behalf of health systems and physician provider organizations across the nation to improve quality of care for patients and reduce health care cost.