

News Release
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Medicare ACOs Continue Savings for Eighth Year *Shared Savings ACOs Saved \$3.6 billion in 2021*

WASHINGTON — Medicare’s largest alternative payment model continues to produce consistent and significant annual savings, while also continuing to provide high-quality care, as shown by performance data released today by the Centers for Medicare & Medicaid Services (CMS).

The Medicare Shared Savings Program, the accountable care organization (ACO) model that served 11 million seniors in 2021, collectively saved Medicare \$3.6 billion last year, and \$1.6 billion after accounting for shared savings payments. Of the 475 ACOs, 81 percent achieved savings to Medicare with 56 percent achieving shared savings.

“Today’s results again demonstrates that ACOs drive us towards a health care system that delivers affordable, equitable, high-quality, person-centered care” said Clif Gaus, Sc.D., president and CEO of the National Association of ACOs (NAACOS). “Eight years of continued strong performance with the positive proposed changes to the program included in the physician fee schedule sets the stage for significant growth in accountable care”.

ACOs provide an alternative to the fragmented fee-for-service system by holding groups of doctors, hospitals, and other providers accountable for the cost and quality of a defined set of patients. They earn the right to share with Medicare savings generated if certain spending and quality metrics are met. Results for all 2021 Shared Savings Program ACOs, which compare the year’s spending to pre-set targets, are available in an online [public use data file](#). In 2021, 477 ACOs voluntarily participated in the Shared Savings Program.

These results are particularly notable as 2021 was a year in which providers were still actively responding to the COVID-19 public health emergency. ACOs were [valuable assets](#) in managing patient care given their accountability to long-term patient care and outcomes. ACOs were proactive in their outreach to high-risk patients to keep them healthy, quickly established telehealth and remote monitoring capabilities to continue to provide care, and effectively managed home visits and post-acute care to reduce COVID transmission.

Other key points from today’s ACO results:

- \$357 in gross savings per beneficiary

- 76 percent of shared savings only ACOs produced gross savings with an average savings rate of 2.5 percent
- 89 percent of at-risk ACOs produced gross savings with an average savings rate of 4.7 percent

The Administration has proposed significant changes to MSSP that will help grow the program. These changes will attract providers who serve vulnerable populations. We also need Congress to act to keep momentum in alternative payment models. NAACOS [supports](#) the Value in Health Care Act (H.R. 4587), which would extend payment incentives for risk-bearing ACOs. The \$3.6 billion in savings achieved in 2021 far exceeds the estimated \$700-900 million in advanced APM bonuses expected to be paid. These incentives have been critical in helping clinicians cover the investment costs of moving to new payment models.

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Contact:

Aisha Pittman
Senior Vice President, Government Affairs
202-281-8802 or aisha_pittman@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, 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.