Preparing for What's Next: Advocacy and Emerging Trends in Accountable Care

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Accountable Care Across the Continuum– Engaging All Lines of Business

Continued Uncertainty in the Payer Market

Contract Disputes are an Increasingly Common Point of Friction amid Payer Consolidation

Medicare Advantage denials top Orlando Health's revenue priorities

Jefferson Health goes out of network for Cigna commercial members following contract spat

Florida Blue, Memorial Healthcare System split

Johns Hopkins goes out of network with UnitedHealthcare

VBP Arrangements (and Owned "Value-Based" Provider Assets) Still Touted as Path to Success

UnitedHealth Group CEO: Value-Based Care Could Offset Rising Provider, Drug Costs

Optum study: Accountable Medicare Advantage models reduce admissions, ER visits

When 90% Isn't an A+: Elevance's Cost Crunch and Carelon's Cushion

Humana Expands Value-Based Musculoskeletal Care as Chronic Condition Costs Are on the Rise

August 27, 2025

In Chapter 11, the Villages Health to Sell Assets to Humana's CenterWell

Humana to takeover 23 Walmart Health locations with new CenterWell senior care clinics. Here's where

National Payers and Large Regionals are Right-Sizing Footprints and Product Offerings Amid Headwinds

The great Medicare Advantage contraction appears set to continue

Insurers plan to keep sacrificing MA growth for profitability next year, after second quarter results for Humana and CVS showed the success of the strategy.

UnitedHealth, Elevance set to exit Colorado ACA marketplace

Centene records $253 million loss in Q2, driven by costs

Medicare Advantage insurers shun PPOs, push HMOs

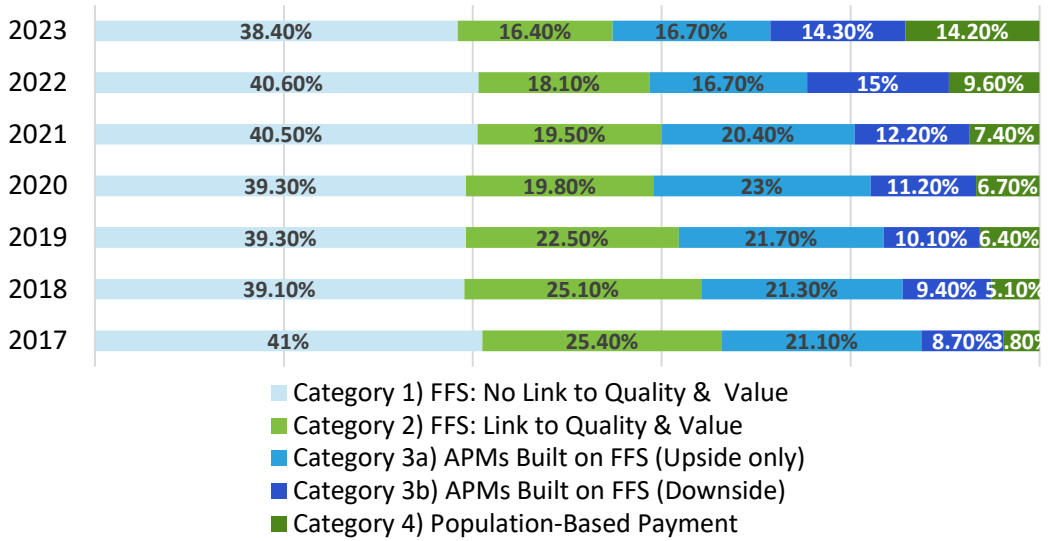
INSURANCE

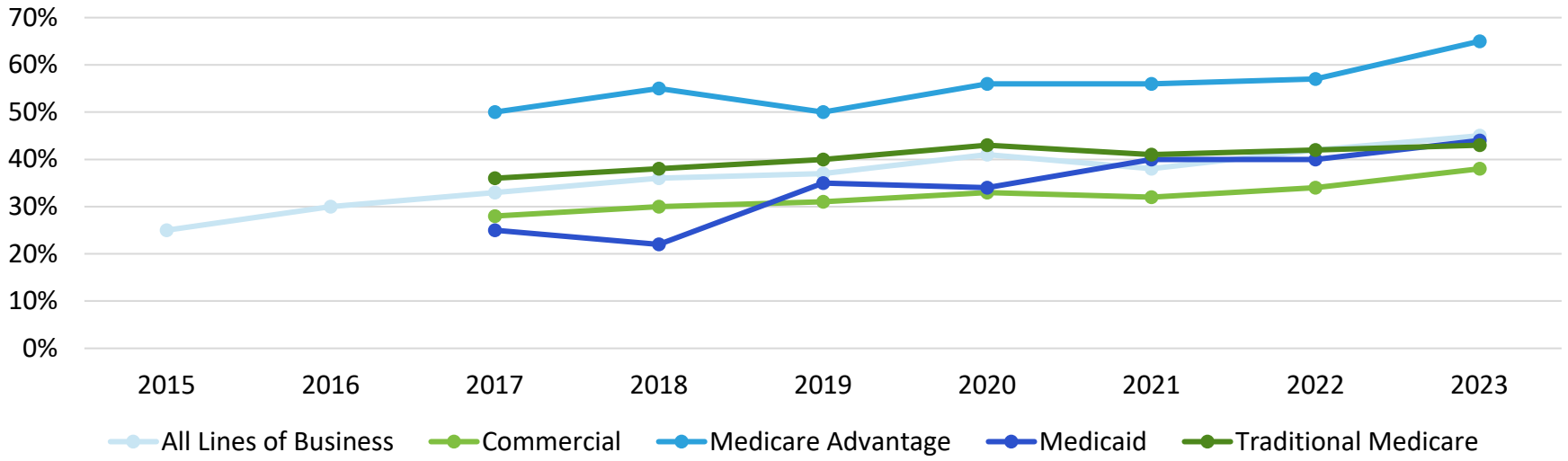
Aetna to close nearly 90 Medicare Advantage plans next year

Elevance Health exits Part D, some Medicare Advantage markets

Continued Growth in APM Adoption

- Share of payments through FFS is declining
- MA and traditional Medicare have greatest adoption of risk-based arrangements
- Medicaid and commercial is growing with most states having APM adoption targets/requirements for MCOs





Federal Pressure on Publicly Funded Coverage

Medicare Advantage

Payment and risk scores

- No UPCODE ACT (S.1105)

Prior authorization

- SENIORS Act (H.R. 3514/ S. 1816)
- CMS and Payer commitment to addressing prior authorization in MA

Payment and Network Adequacy

- Prompt and Fair Pay Act (H.R. 4559)
- Medicare Advantage Prompt Pay Act (H.R. 5454)

Medicaid

OBBBA cut Medicaid funding by **$1 trillion,** estimated to eliminate coverage for **10 million people**

- Focuses on fraud and duplicative enrollment
- Imposes new work requirements on ACA expansion population
- Requires more frequent eligibility redeterminations
- Increases cost sharing for certain populations and services
- Places a moratorium on new provider taxes for all states and reduces the tax threshold for ACA expansion states
- Reduces the cap on Medicaid State Directed Payments
- Adds **$50 billion** to rural health fund to help states with lost Medicaid funding

ACA Marketplace

Advance Premium Tax Credits (APTC)

- Expire at the end of 2025, nearly **3.5 million** projected loss of coverage and **7.5 percent** premium increases
- Imposing new eligibility verification requirements for APTC to crackdown on duplicate enrollment

Final marketplace integrity rule

- Making an array of changes expected to increase premiums and reduce enrollment

Value Across Payers

NAACOS is advancing accountable care across all lines of business and payers and engaging payer partners to help drive value-based care adoption and sustainability.

Access these resources

1

Playbooks
AHIP, AMA, and NAACOS collaborated to identify principles and voluntary best practices to foster sustainable success in VBC.

2

Medicare Advantage
Deep Dive Roundtables covers best practices in contract negotiations, quality and Stars, regulatory and policy updates to the MA program and impact to MA arrangements.

3

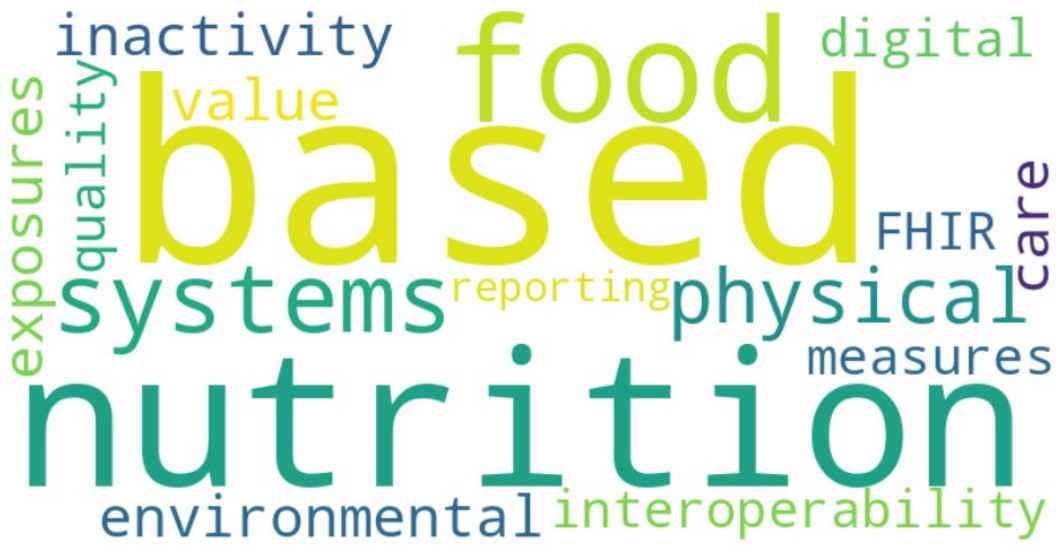
Medicaid
Resources highlight experiences from Medicaid thought leaders on program designs, contracting structures, and best practices across community partnerships.

4

Specialty Engagement
Specialty Care Guidebook (coming soon) will feature real-world strategies and business practices for engaging specialists in VBC through data-driven insights across clinical conditions.

Make America Healthy Again Agenda

Make America Healthy Again



Robust and free competition

- Policies that increase supply of health care providers in rural areas
- Offload risk from the government

Patient choice

- Control of health care dollars with the patient
- Sustainability and value for beneficiaries

Provider autonomy

- Avoid irrational reimbursement schemes
- Reduce regulatory compliance burdens
- Emphasis for rural providers
- End quality measurement complexity
- Move away from restrictive and complicated FFS approaches to VBC approaches
- Unleash innovation

Transparency

- Reduce fraud, waste, and abuse

FFS Payment Shifts Anticipated

01 Physician Payment on the Line – Controlling Costs and Valuing Care

- OBBBA increased Medicare physician fee schedule conversion factor by **2.5% for 2026** to offset portion of previous payment cuts
- NAACOS supports efforts to move to inflationary update while maintaining incentives for value-based care
- PFS signaled Administration considerations for valuing care-- Practice expense changes and "efficiency adjustments" have major winners (primary care) and losers (hospital-based specialty services)

02 Hospital Payment– Attempts to Reign in Costs

- Administration focus on site of service: phase out of inpatient-only list, increase of ASC covered procedure list; mandatory models for hospitals that impose discounts
- Continued Congressional interest in site-neutral payment, but currently on the backburner

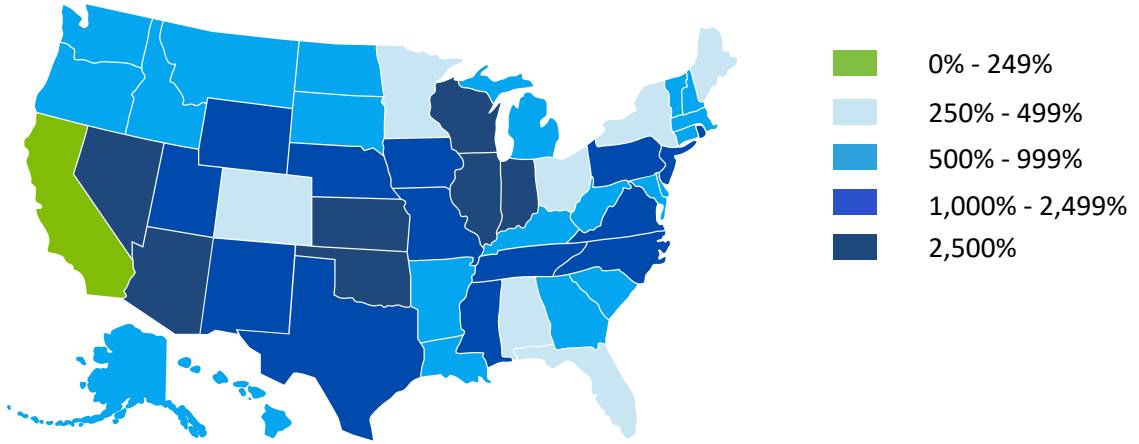
Hot Fraud Summer(s)!

ACOs are at the forefront of identifying fraud, waste, and abuse

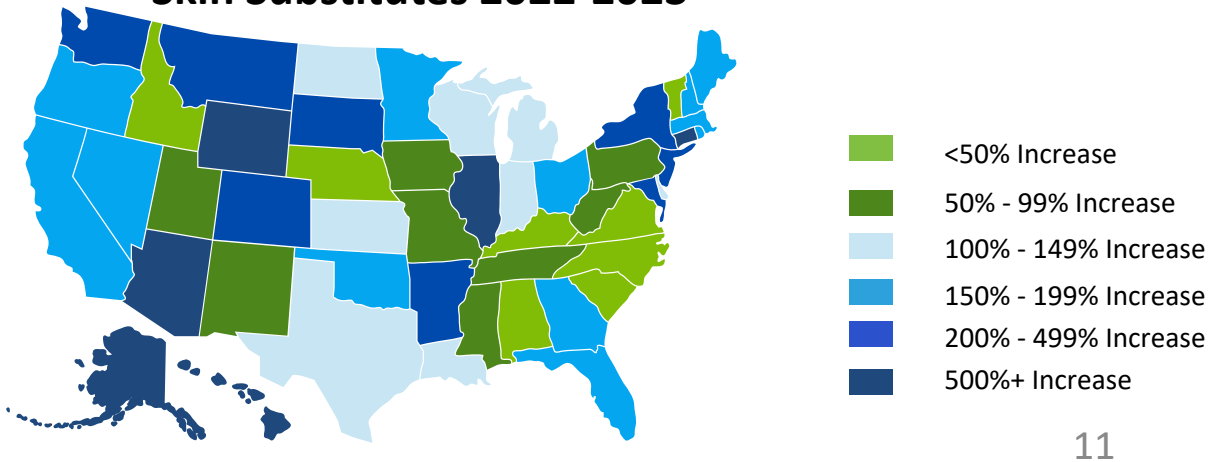
NAACOS:

- Support identification of trends– send what you're seeing to NAACOS connect and email advocacy@naacos.com
- Work with CMS to address fraud, waste, and abuse
  - Crushing Fraud, Waste, and Abuse- Chilli Cook Off
  - WISeR (Wasteful and Inappropriate Service Reduction) Model
  - Improvements to reporting process and feedback loops
- Ensure ACOs are not held accountable for fraudulent spending outside of their control

Catheter DME 2022-2023



Skin Substitutes 2022-2023



Fraud, Waste and Abuse Advocacy

TAKE ACTION NOW

Encourage CMS and Congress to Finalize Paying Skin Substitutes as Incident-to Supplies

FRAUD, WASTE, AND ABUSE

1. Hold ACOs harmless for fraud, waste, and abuse
2. Leverage ACOs as partners and improve reporting and feedback processes

SKIN SUBSTITUTE POLICIES

1. Ensure ACOs are not held accountable for fraud, waste, and abuse outside of their control.
2. Amend payment policy to close loopholes that promote the use of new, expensive products; and create consistent coverage determinations.

Making Health Tech Great Again

- CMS partnering with industry to modernize the digital health ecosystem
  - Creating a **CMS Interoperability Framework** to enable seamless information exchange between patients and providers
  - **Enhancing personalized tools** that empower patients to make more informed health decisions.

- 60 companies (Aetna, Amazon, Apple, Epic, Google, Humana, United) committed to data sharing through “CMS Aligned Networks”
  - By July 2026, networks must provide access to data through FHIR APIs
  - Must also update a national provider directory

- CMS to build key infrastructure by:
  - Offering an app store of vetted digital health solutions
  - Expanding upon Patient Access APIs, like Blue Button 2.0
  - Building a national healthcare directory
  - Implementing modern digital identity verification solutions under Medicare
  - Digital insurance cards available as soon as 2025

Join the NAACOS Health IT Workgroup by emailing advocacy@naacos.com

Accelerating Innovation

Innovation Center Strategy

Evidence-based prevention models will:

- Embed preventive care in all model designs
- Measure the impacts of preventive care

Health goal models will:

- Unlock data access
- Align financial incentives with health outcomes

Choice and competition models will:

- Increase independent provider participation in value-based payment programs
- Promote patient choice in care
- Improve administration of value-based payment programs

Landscape of CMMI Models

Total Cost of Care Global Budget

ACO REACH Model (formerly Direct Contracting)	*Operating through 2026*
Comprehensive Kidney Care Contracting	*Operating through 2027*
Enhancing Oncology Model	*Operating through June 2028*
States AHEAD Model	*Operating through 2035*

Episode-Based & Condition-Specific

BPCI Advanced	*Operating through 2025*
Comprehensive Care for Joint Replacement*	*Ended Dec. 31, 2024*
~~ESRD Treatment Choices (ETC) Model*~~	*Proposed cancellation as of Dec. 31, 2025*
GUIDE (Dementia Care Model)	*Operating through June 2032*
Transforming Episode Accountability Model (TEAM)*	*Jan. 1, 2026 through Dec. 31, 2030*
Transforming Maternal Health (TMaH)	*Operating through 2034*
Innovation in Behavioral Health (IBH)	*Operating through 2032*

Primary Care

~~Primary Care First~~	*Cancelled as of Dec. 31, 2025*
~~Kidney Care First~~	*Cancelled as of Dec. 31, 2025*
~~Making Care Primary~~	*Cancelled as of Dec. 31, 2025*
ACO Primary Care Flex (within MSSP)	*Operating through 2029*

*indicates mandatory model

Ear to the Ground on New Models

Cardiology model? (mandatory)

Medicare Advantage: patient-centered payments

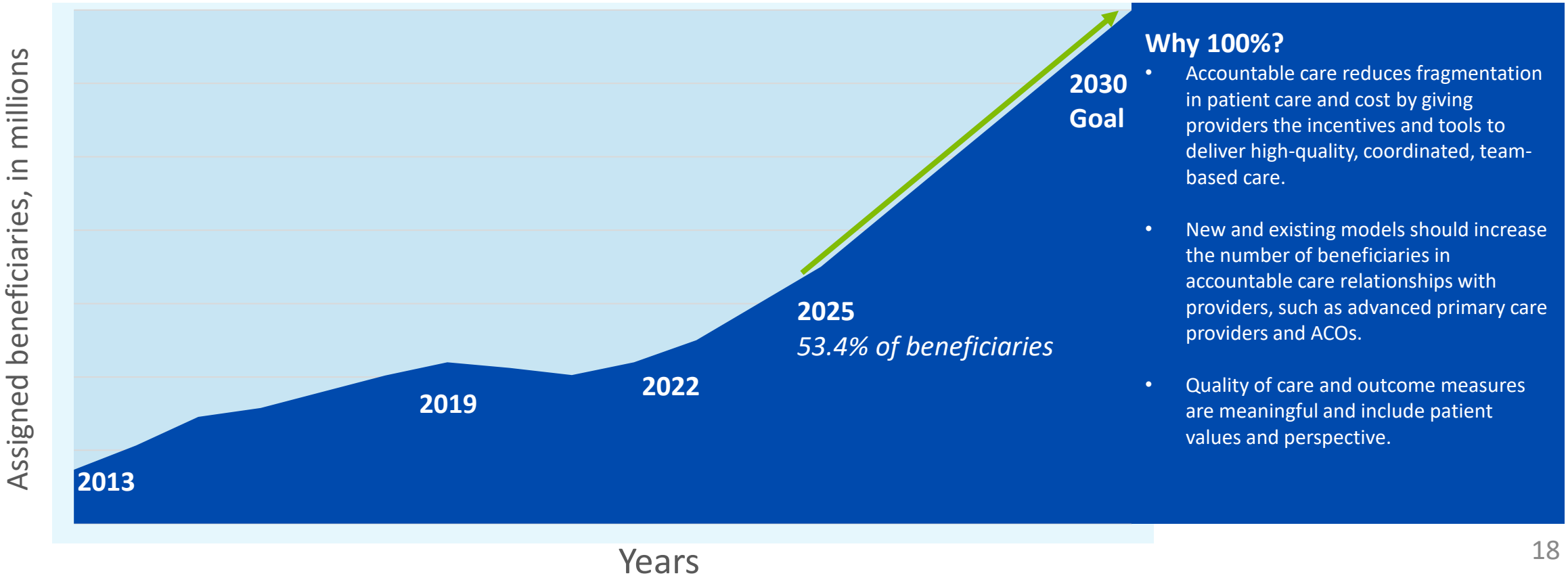
Next Total Cost of Care Model

GEO AHEAD

GLOBE– Rx Model (mandatory)

NAACOS Goal

CMS has a goal for all people in traditional Medicare to be in a relationship with accountability for quality and total cost of care by 2030.



Two Pathways: MSSP and the Next Model

MSSP Improvements

Abandon the ACPT and address the benchmark ratchet

**ACPT weight reduced from 1/3 to 1/6 cutting impact in half*

Improve the Transition to digital Quality Measurement

10X Innovation

- Voluntary alignment comparable to reach
- Geographic alignment approaches
- Capitation options
- Offer a full-risk option
- More waivers and flexibilities

MSSP Improvements

Extend REACH if there is not sufficient time to prepare

CMMI is focused on next TCOC model.

What's Needed:

- **Benchmarks**
  - What's the long-term proposition?
  - How do we account for specialized populations?
- **Risk Adjustment**
  - Maintain current risk adjustment approaches with improvements
  - Test, but not require, new risk adjustment approaches in models
- **Downstream payment arrangements**
  - Optional primary care capitation is essential to improving cash flow
  - Engage specialists by providing flexibility to (1) negotiate discounts and (2) offer capitation
- **Participation options**
  - Keep the provider entity whole in model by allowing dual participation in distinct tracks or incorporating benchmarks/flexibilities within all tracks
- **Geographic alignment options**

Forward Together!

Congressional Landscape

Election

- Balance of power in Washington shifts to Republicans

New Health Priorities

- GOP Lawmakers align with President's top health priorities like MAHA and Waste, Fraud and Abuse

OBBBA

- Congress extends tax cuts, reforms Medicaid, and lowers spending on the ACA
- GOP and WH push for more cuts
- Congressional health committees focus on program oversight

Fraying Relations Signal Future Challenges

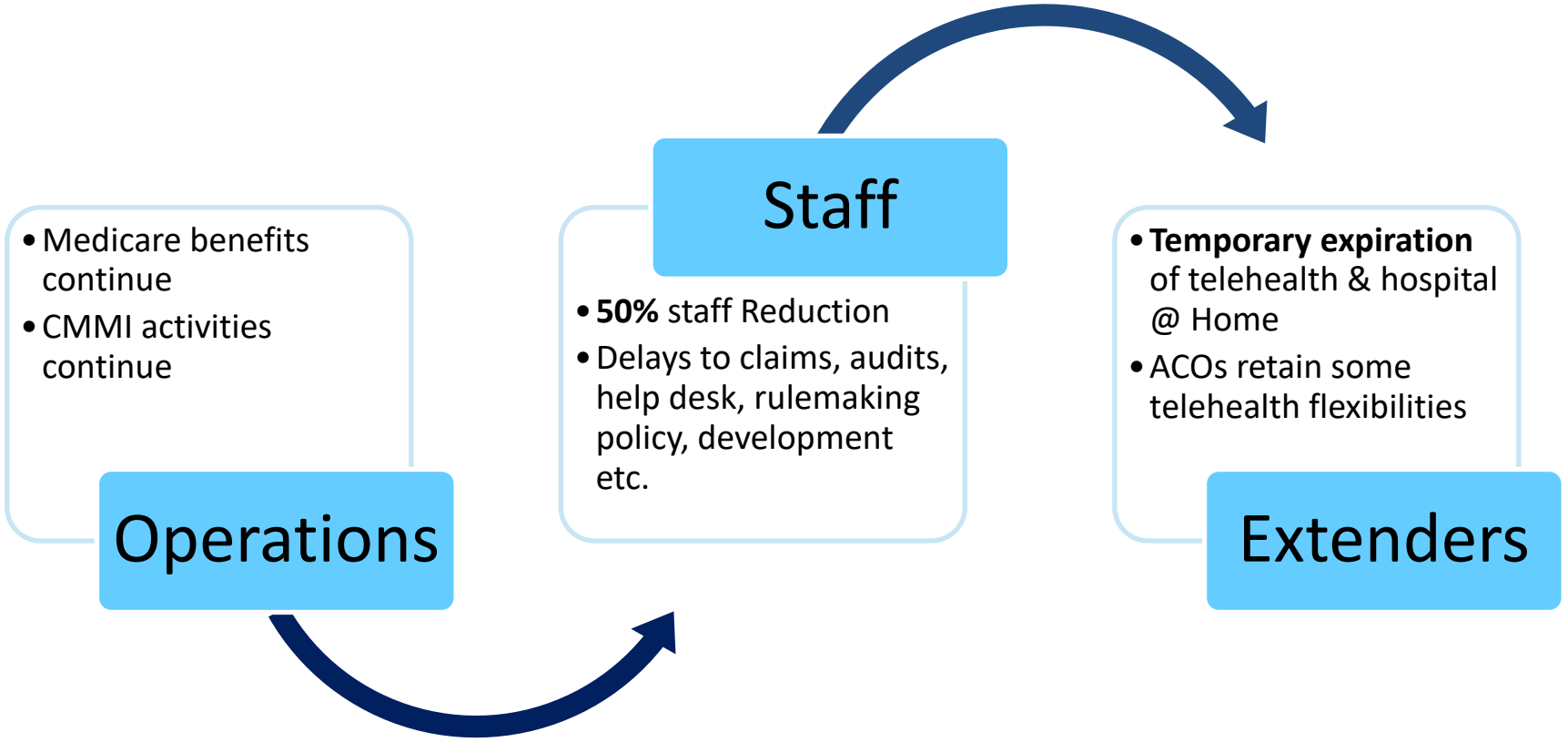
- Political fights over health program cuts and ACA tax credits leads to government shutdown on October 1

Potential Bipartisanship??

- Health care extenders
- ACA Tax Credits
- Prior authorization and reforms to Medicare Advantage

Government Shutdown

A partial government shutdown was triggered on **October 1, 2025**, due to a partisan impasse in Congress over extending health care tax credits and reversing Medicaid cuts enacted earlier this year.



Driving Value in VBC

$5.1B

to Clinicians in Conversion Factor Update

- Reduced cuts to physician payments from 2022-2025
- Successfully prevented $1B reduction to AAPM clinicians proposed in the OBBBA Energy and Commerce Reconciliation Text.

4 Bills

Worked alongside Congressional Offices to Intro four new VBC-related bills

- Preserving Patient Access to Accountable Care Act (H.R. 786/S. 1460)
- Health Care Efficiency Through Flexibility Act (H.R. 5347)
- Improving Seniors' Timely Access to Care Act (S. 1816/ H.R. 3514).

150

Held >150 meetings with Congressional leaders and their staff in 2025

- Meetings help nurture champions and shape legislative asks ensuring laws reflect the priorities and interests of VBC.

$137M

Saved ACOs $137.5m by successfully petitioning CMS to reweight ACPT

- Stemmed more than $137.5 million in lost savings by working with CMS to reweight the Accountable Care Prospective Trend factor by half.

eCQMs

Worked with CMS to delay eCQM conversion

- MIPS CQM and Medicare CQM options will both be retained at least through PY 2026;
- eCQM/MIPS CQM reporting incentive extended
- Active conversations to reconsider transition

FWA

Developed policies to protect ACOs from fraud and abusive spending

- Successfully worked with CMS to ensure ACOs were held harmless for catheter-related fraud, including new SAHS policy
- Shaped new payment approach from skin subs.
- Continuing to ensure ACOs are not held accountable for fraud

Model Innovation

Shaped new and existing CMMI models

- PC Flex model follows NAACOS advocacy for partial capitation
- GEO AHEAD will help expand VBC beyond voluntary attribution
- TEAM

$1.9B **in extended incentives for AAPMs from 2022-2024**

- NAACOS successfully advocated for extended incentives for AAPMs from 2022-2024. The impact of these incentives maintained strong growth of AAPMs at a critical time.

The Alliance for Value-based Patient Care

The Alliance was established in 2022 to bolster and sustain public support for value-based care. Today, more than 20 organizations lend their voices to the mission of the organization.

Help Protect Accountable Care

We need you to get involved in advancing accountable care so that more patients receive high-quality care, while reducing costs.

Fix the ACPT Now

- CMS introduced the **Accountable Care Prospective Trend** to address the benchmark ratchet and begin to use administratively set benchmarks. ACPT is blended with national and regional growth trends.
- **The projection was $300M off** in 2024. At NAACOS' urging, CMS reweighted the ACPT to reduce the impact to ACOs.
- In 2025, spending is already 90% higher than the ACPT projection. This could cost 375,000 ACO clinicians $500M.

Go to FixACPTNow.org and tell CMS to eliminate the ACPT now.

Extend Incentives and Freeze the Threshold

- Congress must **reinstate incentives** for providers that participate in AAPMs to continue to support accountable care and sustain participation.
- Providers QP eligibility **threshold is set to skyrocket,** driving around 100,000 clinicians out of advanced alternative payment models involuntarily back to MIPS.

Tell us more about your QP status so we can advocate Congress for policies that sustain and support VBC.

GET INVOLVED!

Attend Regional Meetings

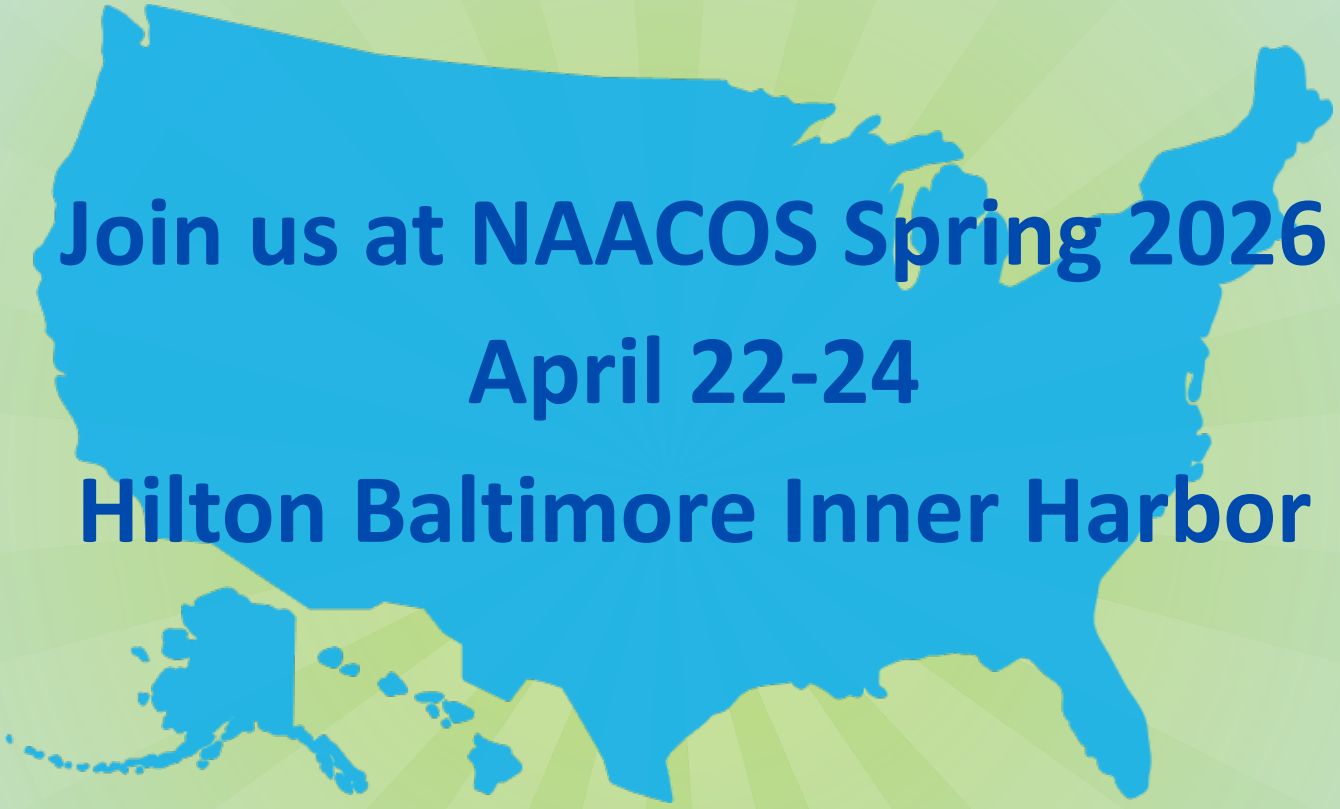
Join Affinity Groups and Deep Dive Discussion Roundtables

Download NAACOS Connect

Join us at NAACOS Spring 2026

April 22-24

Hilton Baltimore Inner Harbor



Broadening reach, deepening value