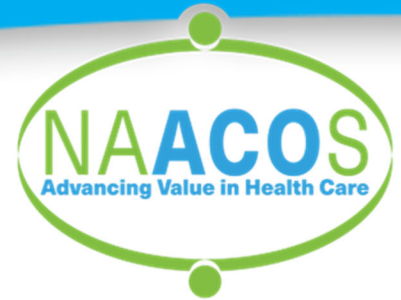




November 19, 2025

The Honorable Vern Buchanan
Chair
Ways and Means Subcommittee on Health
1139 Longworth House Office Building
Washington, D.C. 20515

The Honorable Lloyd Doggett
Ranking Member
Ways and Means Subcommittee on Health
1129 Longworth House Office Building
Washington, D.C. 20515

Re: Modernizing Care Coordination to Prevent and Treat Chronic Disease

Dear Chairman Buchanan and Ranking Member Doggett:

The National Association of ACOs (NAACOS) applauds the health subcommittee for holding a hearing on modernizing care coordination to prevent and treat chronic disease. A central goal of health care should be to keep patients healthy by ensuring they receive the right services, at the right time, in the right place. Alternative Payment Models (APMs) have proven to be a powerful platform for improving overall health and management of chronic conditions.

NAACOS is a member-led and member-governed nonprofit of nearly 500 accountable care organizations (ACOs) in Medicare, Medicaid, and commercial insurance working on behalf of health care providers across the nation to improve quality of care for patients and reduce health care costs. Collectively, our members are accountable for the care of more than 9.5 million beneficiaries through Medicare's population health-focused payment and delivery models, including the Medicare Shared Savings Program (MSSP) and Direct Contracting/ACO REACH.

ACOs are the largest and most established APMs in Medicare. Since their inception, ACOs have generated more than **\$34 billion in savings** for Medicare while consistently outperforming non-value-based models on quality metrics, including preventive care, reduced hospitalizations, and fewer preventable readmissions.¹ These improvements have created a spillover effect that has enhanced care and reduced costs system-wide. The success of accountable care is rooted in its ability to innovate. ACOs leverage advanced data integration, combining claims and clinical information to improve population health and enhance clinical outcomes. This data-driven approach allows ACOs to identify inefficiencies, detect potential fraud and waste, and deliver more personalized care.

Through these innovations, ACOs have strengthened the patient-provider relationship, empowering both to make informed decisions at the point of care. Reforms within accountable care – such as cost-

¹ <https://www.naacos.com/wp-content/uploads/2025/09/VBC-in-the-US.pdf>

sharing waivers and reduced regulatory burdens – further enable providers to focus on what matters most: delivering high-quality, coordinated care.

Accountable care also encourages collaboration across the entire care continuum. Whether through primary care teams or specialty providers managing chronic conditions, ACOs coordinate care transitions across hospitals, post-acute facilities, and home-based settings. This coordination improves outcomes and enhances patient experiences, especially for individuals with complex chronic conditions.

Challenges and Recommendations

Over the past two decades, the growth of APMs has enabled health care providers to collaborate more effectively, invest in critical infrastructure, and improve outcomes while lowering costs. Yet despite this progress, APM adoption has advanced more slowly than Congress initially envisioned. A key reason is Medicare’s persistent reliance on pay-for-volume policy in traditional Medicare, which fragments care and reinforces a reactive, illness-focused approach rather than proactive, coordinated management. This fragmentation is especially problematic for patients with complex chronic conditions or serious illnesses that drive some of the highest health care costs but also stand to benefit the most from accountable care. Unfortunately, many current program designs still fall short of meeting their unique needs, limiting the full potential of APMs to transform care.

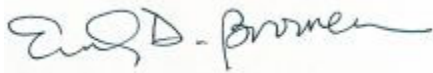
To fully realize the benefits of accountable care, it is crucial to provide the right financial incentives, remove barriers to participation, and provide greater flexibility and tools that foster innovation in care delivery.

- *Extend Advanced APM Incentives* — Medicare’s advanced APM incentive payments encourage clinicians to join and remain in risk-based models and support enhanced services that are used to help improve patient outcomes. Extending these financial incentive payments and adjusting qualifying thresholds will provide additional resources to help clinicians manage patients with chronic conditions. Adjusting qualifying thresholds will also reduce burdens by ensuring clinicians are not involuntarily forced back into the Merit-based Incentive Payment System (MIPS).
- *Fraud, Waste, and Abuse* — Providers in ACOs are on the front lines of identifying and addressing fraud, waste, and abuse in health care. Congress and CMS must protect accountable care providers by holding providers harmless for fraudulent and wasteful spending that is outside of their control.
- *Digital Quality* — Moving to digital quality measurement has the potential to be significantly less expensive and burdensome to report than traditional measures. A thoughtful approach to implementation is necessary and NAACOS values the Committee’s leadership in proposing and advancing the Health Care Efficiency Through Flexibility Act (H.R. 5347).

- *Ensure Benchmarks are Sustainable and Predictable* — Benchmarks are essential for ACOs because they set clear performance expectations and help measure whether care is improving while costs are being contained. Congress should work with CMS to encourage the agency to repeal the Accountable Care Prospective Trend (ACPT), address the ACO benchmark ratchet, and engage ACOs in conversations to design long-term sustainable benchmarks.

APMs and accountable care represent a proven path forward for Medicare and for patients living with chronic and serious illnesses. With targeted policy improvements and sustained congressional support, these models can continue to enhance quality, strengthen care coordination, and ensure Medicare's long-term sustainability. We appreciate the Committee's continued leadership and look forward to working together to advance policies that keep Americans healthier and make our health care system more effective and efficient. If you have any questions, please contact Aisha Pittman, senior vice president, government affairs at aisha_pittman@naacos.com.

Sincerely,

A handwritten signature in dark ink, appearing to read "Emily D. Brower". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Emily D. Brower
President and CEO
NAACOS