



2016 Issue Brief

Accountable Care Organizations

Issue

The participants in the Medicare Shared Savings Program (MSSP), and the Pioneer Accountable Care Organization Program (Pioneer, collectively, ACOs) have all made significant improvements in care processes and the delivery of high-quality care, while reducing utilization of healthcare services. Although most of these ACOs have increased quality and achieved the goal of saving money for Medicare, program results have been uneven at best. ACOs have also encountered significant obstacles in program design that threaten not only their own success, but the future viability of these programs.

AMGA member medical groups have invested significant financial, clinical, operational, and leadership resources to establish sophisticated care management infrastructures and organizational cultures necessary to support the goals of the program. They have done so because it is the right thing to do for their patients and they want to assist Congress, the Centers for Medicare and Medicaid Services (CMS), and other payers to create the new payment models that reward coordinated, patient-centered care with measurable improvements in outcomes. However, ACOs need a workable financing and operational structure that adequately incentivizes this important work.

AMGA Asks Congress to:

CMS has made some improvements to the ACO Program, such as, extending the participation in track 1 from maximum of three years to a maximum of six years and proposed an improved benchmarking policy. However, legislative relief continues to be necessary to improve the program. Legislative changes should include creating incentives for all ACOs, modifications to the Minimum Savings Rate (MSR), a workable attribution methodology, an appropriate risk adjustment policy, and continuation of fraud and abuse waivers beyond the term of an ACO.