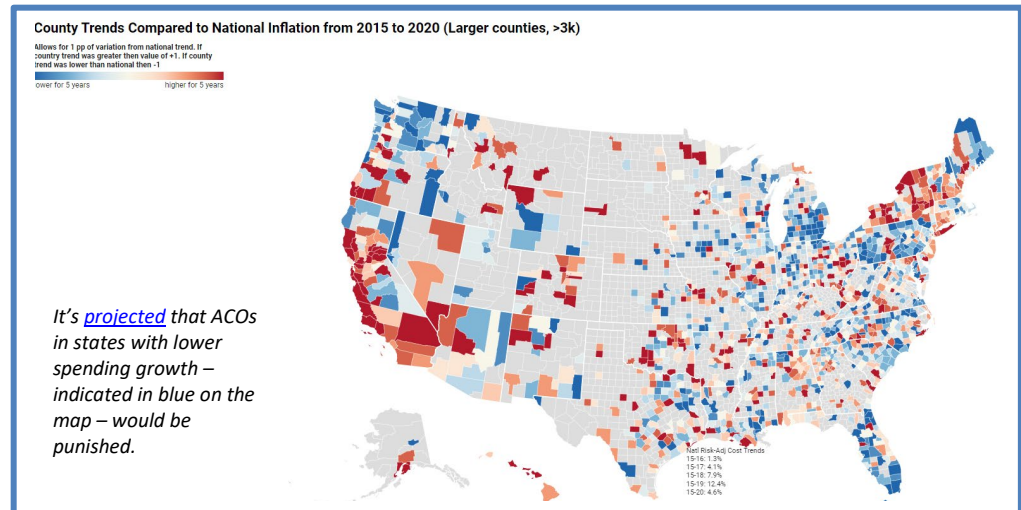


ACO Benchmark Changes

The **financial benchmark** is the level of spending an ACO is projected to have budgeted each year for its patient population. The benchmark is unique to each ACO and is determined by historical spending, the patient population, and national and regional spending trends. When ACOs spend less than their benchmark, Medicare achieves savings and the ACO is eligible to earn “shared savings.”

- **The Medicare Shared Savings Program (MSSP) is the largest and most successful value-based care program in Medicare.**
- To date, it has generated nearly \$17 billion in gross savings for Medicare and improved the quality of care for millions of patients.
- In the CY2023 Medicare physician fee schedule, the Centers for Medicare and Medicaid Services (CMS) updated the benchmarking methodology for the MSSP to include a prospective growth rate specific to ACOs called the Accountable Care Prospective Trend (ACPT). The change would be effective for new and renewing contracts in 2025.
- **According to CMS analysis, the ACPT will harm nearly one third of ACOs.**
- NAACOS believes a policy that negatively impacts a third of ACOs should be reexamined.
- The ACPT’s national spending trend is not reflective of the spending in an ACO’s region. When an ACO’s regional trend is lower than the United States Per Capita Cost (USPCC) (highlighted in blue in the graph below) the ACO would be negatively impacted.

- While stakeholders are encouraged that CMS is working to improve current MSSP benchmarks and consider a long-term approach for benchmarks, there are inherent challenges that need to be addressed.
- If CMS were to rely purely on the ACPT as proposed, it would hurt low-cost, efficient providers.



Congress must work with CMS to establish effective ACO benchmark policy changes and guardrails to ensure greater participation and innovation in MSSP.

- ✓ Provide transparency in benchmark development. All aspects of benchmark development should be able to be replicated by stakeholders.
- ✓ Establish an appeals and third-party review process to address benchmark disagreements.
- ✓ Account for regional variations in spending to prevent arbitrary winners and losers, including setting regional contributions to what it would be if an ACO was not in a particular market.
- ✓ Study disparate financial policies and beneficiary benefits across Medicare programs (e.g., ACOs and MA) that may impact spending, create inequitable opportunities between programs and lead to provider burden and beneficiary confusion.