

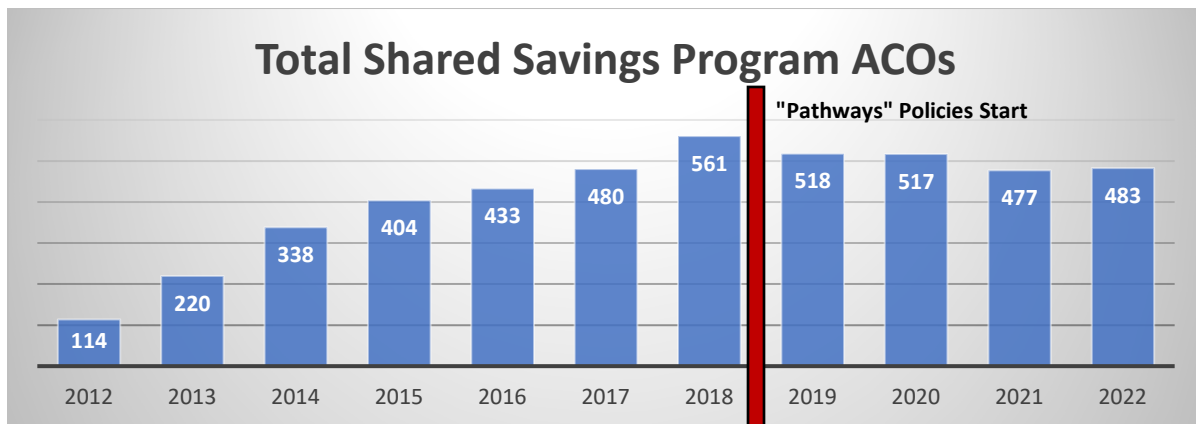
News Release
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Medicare ACO Participation Flat in 2022

NAACOS Issues a Call to Action for CMS to Spur ACO Growth

WASHINGTON — The number of accountable care organizations (ACOs) in the Medicare Shared Savings Program (MSSP), the country’s dominant value-based payment program, [only modestly increased](#) to 483 in 2022. Following multiple years of flat or declining ACO growth, today’s announcement is disappointing and should send a wake-up call to an administration whose goal is to have all traditional Medicare patients in an accountable care model by 2030. There are still fewer patients in ACOs and ACOs in the program than there were in 2020.



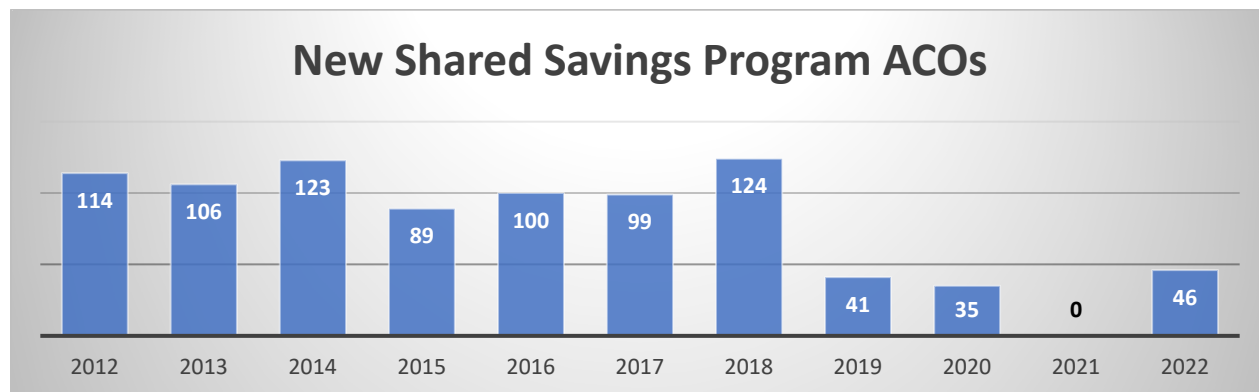
There are 46 ACOs [starting their first initial agreement](#) period this year, but of these many have previous experience in Medicare ACO programs, including the now-expired Next Generation ACO Model. The MSSP hasn’t rebounded from where ACO participation was before CMS’s 2018 rulemaking, dubbed “Pathways to Success,” that forced more ACOs into risk. Following a high of 561 MSSP ACOs in 2018, participation fell the next two years and to 477 in 2021. Last year, the CMS Innovation Center [set a goal](#) to have all traditional Medicare beneficiaries in a care relationship with a provider who is accountable for their quality and total cost of care by 2030. That includes ACOs, and while it’s a lofty goal, it’s one NAACOS strongly supports, but we won’t get there with just wishful thinking. Action is needed to increase participation in ACOs.

“NAACOS is extremely disappointed in today’s news. When considering former Next Generation ACOs who moved into MSSP and the fact that there was no opportunity to join the model in 2021, you could

consider this a shrinking of this important ACO model. Today shouldn't be celebrated but instead should be a call to action for policymakers to correct this trend and address incentives to spur participation in a voluntary program that has repeatedly yielded savings and provides high quality care," said Clif Gaus, Sc.D., president and CEO of the National Association of ACOs (NAACOS).

NAACOS has offered several suggestions to attract new ACOs while retaining existing ones, including increasing ACO shared savings rates, fixing key benchmarking and risk adjustment issues, allowing more time before requiring risk, minimizing administrative burdens, rethinking quality reporting requirements, and providing more timely and complete data.

"NAACOS is waiting to see what participation is like in the new Direct Contracting Model, another accountable care model. Hopefully, that will account for some of the lack of growth in the Shared Savings Program," Gaus said. "With Medicare spending continuing to rise to out-of-control levels and ACOs proving they can effectively increase quality and lower spending, more focus needs to be on increasing the size of ACO programs in traditional Medicare, which needs to happen at levels much greater than what we've seen today."



**Of the 46 new ACOs that NAACOS counts in 2022, 18 are former Next Generation ACO participants.*

Other important numbers from 2022 participation data:

- 11 million beneficiaries are cared for by an ACO, making it far and away the largest alternative payment model in Medicare
- 59 percent of ACOs are in two-sided risk and 41 percent are in one-sided risk
- Nearly 529,000 physicians and other non-physicians are in ACOs
- More than 1,300 hospitals are in ACOs

[ACOs have saved](#) Medicare \$13.3 billion in gross savings and \$4.7 in net savings since 2012. Importantly, data show these ACOs continued to provide high-quality care and yield satisfied patients. Today, ACOs care for nearly 20 percent of all Medicare patients and nearly a third of traditional Medicare patients.

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About NAACOS. The National Association of ACOs (NAACOS) represents more than 12 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), Next Generation ACOs, 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.