

News Release
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NAACOS Welcomes More Direct Contracting Entities *Fifty-Three to Participate in the First Performance Period*

WASHINGTON — Today, the Center for Medicare and Medicaid Innovation (Innovation Center) announced that 53 Direct Contracting Entities (DCEs) are participating in the Direct Contracting Model's first Performance Year, which started April 1. Direct Contracting is the next premier accountable care model from the CMS Innovation Center and seeks to build on the successful Next Generation ACO Model, while redesigning healthcare delivery and payment. There were 51 DCEs who participated in the optional Implementation Period, which did not hold participants accountable to cost and quality. Information on the participating DCEs is available on this [webpage](#). The National Association of ACOs (NAACOS) congratulates these organizations for their work.

The Innovation Center also announced today it will not open a second application period to start in 2022, which it had previously said it would allow. Instead, DCEs accepted to start in 2021 may defer their participation to 2022. This means Next Generation (Next Gen) ACOs will be forced into the Shared Savings Program next year absent any change from CMS. NAACOS continues to ask CMS to extend the Next Gen Model and believes not allowing another cohort of DCEs creates even more need for CMS to make the model, which is due to sunset at the end of this year, permanent.

"Those participating in Direct Contracting should be commended for advancing Medicare payment and delivery reform. After a decade, we know accountable care models like Direct Contracting work — benefiting patients, providers, and the Medicare Trust Fund by lowering costs," NAACOS President and CEO Clif Gaus, Sc.D., said. "But Next Generation ACOs need clarification on what happens to their participation in high-risk, accountable care models. Next Gen offers a better option and bridge to capitation than the Shared Savings Program."

NAACOS continues to advocate for positive changes to Direct Contracting and remains concerned that the model unfairly penalizes provider organizations who have previously participated in shared savings models and generated savings.

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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.