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2020 Issue Brief Accountable Care Organizations

Issue

Participants in the federal Accountable Care Organization (ACO) program have made considerable improvements in care processes and the delivery of high-quality care, while reducing healthcare utilization. Although many ACOs have increased overall quality and saved Medicare dollars, program results have been uneven at best. ACOs have encountered significant obstacles in program design that threaten the future viability of the program.

A major obstacle is that the Centers for Medicare & Medicaid Services (CMS) currently includes all beneficiaries in the regional adjustment factor that is used to calculate an ACO's benchmark, which is a disadvantage to ACOs that perform well relative to the rest of their region, and makes it more difficult for them to share the savings they generated. AMGA helped craft [H.R. 5212](#), the *Accountable Care in Rural America Act*, which would remedy this issue by removing an ACO's population from CMS' regional adjustment calculation. This will help ensure that the ACO is not penalized for making improvements in its market and is not competing against itself if it performs well relative to that market. AMGA believes this change will result in more ACOs participating in the Medicare Shared Savings Program (MSSP) and reward them for delivering higher quality, lower cost care, regardless of their geographic location. The Senate companion measure, the *Rural ACO Improvement Act* ([S.2648](#)), was also introduced with AMGA's endorsement.

AMGA members have consistently supported the MSSP, which seeks to move our delivery system to one that rewards value and outcomes. AMGA was involved in crafting [H.R. 7791](#), the *Value in Health Care Act of 2020*, which was introduced in July. The bipartisan bill aims to increase ACO participation in the MSSP by increasing shared savings rates for shared savings-only ACOs. The levels would be at least 50% for ACOs in Levels A and B of the BASIC track and 55% for those in Levels C and D. The shared savings rate would be at least 60% for ACOs in Level E. Additionally, the legislation includes similar regional benchmarking policy to that in the *Accountable Care in Rural America Act*, mentioned above.

AMGA Asks Congress to:

Approve the *Value in Health Care Act of 2020* and the *Accountable Care in Rural America Act* or any similar proposal to improve and strengthen the overall MSSP program.