



Contact:

Mara McDermott
mmcdermott@mcdermottplus.com
(202) 487-1393

Next Gen ACO Coalition Applauds CMS' Continued Commitment to Advancing Performance-Based Risk Models

WASHINGTON, D.C. (Dec. 21, 2018) – The Centers for Medicare and Medicaid Services today reported more than \$164 million in Medicare savings – with strong performance on quality metrics – for 44 Next Generation Accountable Care Organizations in 2017. This builds on savings of \$62 million across 18 Next Generation ACOs in 2016.

“We applaud CMS’s continued support for the move to two-sided models in traditional Medicare,” said Next Gen Coalition Executive Director Mara McDermott. “The strong performance of Next Gen ACOs, which accept the highest levels of performance-based risk, is proof positive that this program works and should be strengthened and continued to improve care delivery for patients.”

The Next Generation ACO program is a performance-based risk model in which groups of doctors, hospitals, and other health care providers come together to provide high-quality care at lower costs to their traditional Medicare populations. In this model, Next Gen ACOs must take downside risk. In addition, Next Gen ACOs are offered regulatory flexibility to enable them to better care for their patients while taking a high level of financial and clinical accountability.

The agency also published its final Medicare Shared Savings Program (MSSP) “Pathways to Success” rule, which accelerates the path to two-sided risk for Medicare ACOs. The final rule transforms the MSSP, shortening the amount of time providers can remain in upside-only arrangements and further incentivizing the move to two-sided risk arrangements.

In its comments to CMS on the MSSP proposed rule, the Next Gen Coalition encouraged CMS to continue to incentivize the move to performance-based risk arrangements. In the final rule, the agency continues to offer incentives to organizations that move to escalating levels of risk and reward. The Coalition continues to work with CMS to:

- Create stability for the program through a permanent full-risk offering in Medicare;
- Improve transparency, predictability and fairness in the program; and
- Evolve Next Gen by offering a voluntary global capitation option, enhancing beneficiary engagement and network design and incorporating lessons learned from Medicare Advantage.

About the Next Generation ACO Coalition

The Next Generation ACO Coalition is a convener for program participants to develop and advance consensus-based improvement objectives to promote a strong future for the Next Gen ACO program. A list of members and more information is available at nextgencoalition.org.

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