

## CMS PROPOSES MAJOR ACO OVERHAUL

CMS is proposing a major revamp of the Medicare Shared Savings Program Accountable Care Organizations (ACOs), including a plan to give new ACOs only two years before they must start sharing both savings and losses with the agency. CMS wants to work with ACOs that are serious, and can no longer afford to continue a program that loses money for taxpayers, according to CMS Administrator Seema Verma.

The proposed rule was immediately blasted by the association representing ACOs, which called it a misguided plan that will wreak havoc and cause many ACOs to quit the program. The American Hospital Association likewise criticized the agency's plan to drastically shorten the time ACOs have before they must take on risk.

CMS expects the planned overhaul to lead to 109 fewer ACOs in the program at the end of 10 years, and says that is mostly because the program will be less attractive to new ACOs. Administrator Verma touted the prospect of a smaller, more productive program.

"We don't think there's any point in continuing arrangements where providers are taking waivers

from the federal government and actually are losing money. We don't think that's productive. We'd rather work with a group of providers that are serious about delivering value, serious about delivering better quality care at a lower cost," Verma said.

The agency says it is concerned ACOs that share only savings with CMS, but aren't responsible for any losses if certain goals aren't met, or Track 1 ACOs, may be encouraging consolidation. "Medicare cannot afford to continue with models that are not producing desired results," the proposed rule states. The majority of Medicare Shared Savings Program ACOs are currently in Track 1.

To ease the transition, CMS says it will start new ACO agreements in July 2019 rather than January of next year. ACOs currently in the program would have an option to extend their participation agreement through the end of next June. The usual application cycle will pick up again in January 2020, CMS says. That means providers would have an extra six months where they do not have to take on risk – an arrangement not offered in later years. ■