CMS Announces 2016 ACOs

January 11, 2016 – Today, the Centers for Medicare & Medicaid Services (CMS) announced the highly-anticipated first cohort of the Next Generation ACO (NGACO) Model as well as the new cohort of Medicare Shared Savings Program (MSSP) ACOs, both with January 1, 2016 start dates. The new cohorts include new ACOs as well ACOs that have transitioned from one program to another.

With the new cohorts, the number of ACOs participating in Medicare programs is now 477. This includes 21 NGACOs, 434 MSSP ACOs, 9 Pioneer ACOs and 13 Comprehensive ESRD Care Model (CEC) ACOs. Medicare ACOs are now responsible for 8.9 million beneficiaries, up from 7.3 million in April 2015. Approximately 180,000 physicians and practitioners are now involved in Medicare ACOs.

MSSP
According to the announcement, the current total number of MSSP participants is 434. Previously, the number of MSSP ACOs was 404. This is a net increase of only 30, despite CMS announcing the addition of 100 new participants. Some of this discrepancy is explained by some ACOs (8) transitioning to the NGACO Model. There were also some participants that decided not to renew. Of the 199 MSSP ACOs that were up for renewal, 147 chose to continue their participation. Still, this leaves some ACOs unaccounted for. More analysis will be needed to determine if others have left the program or merged with existing ACOs. Another important change is that the program now has 22 ACOs in tracks with downside risk, a significant increase from the previous total of 3.

Next Generation
CMS selected 21 ACOs for the Next Generation Model, including former MSSP and Pioneer participants, as well as a few organizations who are entirely new to Medicare ACO programs. Eight NGACOs transitioned from the MSSP and 8 came from the Pioneer program, though at least an additional 2 Pioneer ACOs were expected to transition to the Next Generation Model and did not. This transition left only 9 participants remaining in the Pioneer program.

Implications
Movement within, between, and outside of Medicare ACO programs indicates a general transition to greater risk, both in number of ACOs sharing in risk and number of covered lives in risk-based contracts. Such movement is highly likely to be motivated by providers’ experience in past programs. For example, almost all of the Pioneer ACOs that transitioned to the Next Generation ACO program had positive financial results. More analysis is needed to determine the financial performance of the ACOs that have left.

The interest in each of these programs from both new participants and prior participants of other programs, reflects the benefits of having multiple options available to meet the needs of diverse providers interested in accountable care models. CMS will continue to learn from the successes and failures of its programs, making adjustments as it works towards the goal of 50 percent of Medicare FFS payments tied to value by the end of 2018.