

June 15, 2021

The Honorable Jodey Arrington  
U.S. House of Representatives  
1107 Longworth House Office Building  
Washington, DC 20515

The Honorable Suzan DelBene  
U.S. House of Representatives  
2330 Rayburn House Office Building  
Washington, DC 20515

The Honorable Mike Kelly  
U.S. House of Representatives  
1707 Longworth House Office Building  
Washington, DC 20515

The Honorable Ami Bera  
U.S. House of Representatives  
172 Cannon House Office Building  
Washington, DC 20515

The Honorable Tom O'Halleran  
U.S. House of Representatives  
318 Cannon House Office Building  
Washington, DC 20515

The Honorable Terri Sewell  
U.S. House of Representatives  
2201 Rayburn House Office Building  
Washington, DC 20515

The Honorable Neal Dunn  
U.S. House of Representatives  
316 Cannon House Office Building  
Washington, DC 20515

The Honorable Lance Gooden  
U.S. House of Representatives  
1722 Longworth HOB  
Washington, DC 20515

Dear Representatives Arrington, DelBene, Kelly, Bera, O'Halleran, Sewell, Dunn and Gooden,

On behalf of the undersigned organizations, we thank you for introducing legislation that fixes a formula to measure accountable care organization (ACO) performance by more fairly comparing ACOs to their markets. Specifically, H.R. 3746, the *Accountable Care In Rural America Act* amends title XVIII of the Social Security Act to improve the benchmarking process for the Medicare Shared Savings Program (MSSP) to ensure that all ACOs have an equal opportunity to share in savings regardless of their geographic location.

Since the MSSP launched in 2012, ACOs have proven to be a promising mechanism for improving patient care and driving delivery system reform. According to an [analysis](#) of CMS data from public use files, since 2012 ACOs, including those in the MSSP and Next Gen Model, along with a now expired Pioneer ACO Model, have saved Medicare \$8.5 billion and \$2.5 billion after accounting for shared savings payments, shared loss payments, and discounts to CMS. In performance year 2019 alone, MSSP ACOs generated \$2.6 billion in savings and \$1.2 billion after accounting for shared savings payments and collecting shared loss payments.

The results continue a strong and growing trend of the Medicare ACO program saving money, and ACOs also demonstrate impressive quality. For example, in 2019 MSSP ACOs had an average quality score of almost 95 percent. Additional research also confirms positive ACO performance. Researchers at [Harvard University](#), the [Medicare Payment Advisory Commission](#) and [Dobson DaVanzo & Associates](#) have all done such work. All showed ACOs are lowering Medicare spending by 1 percent to 2 percent, which translates into tens of billions of dollars of reduced Medicare spending when compounded annually.

With results like this, it is clear that ACOs are transforming our health care system through reduced costs and improved quality. However, the full promise of the accountable care model – and the MSSP – can only be realized if all ACOs have an opportunity to be rewarded for their efforts to improve quality and

reduce costs. Ensuring that program methodologies are fair and create appropriate incentives for behavior change is critical to driving clinical and practice transformation.

This legislation fixes an important flaw in the current MSSP benchmarking methodology – a flaw that systematically disadvantages many ACOs, including a high proportion in rural areas, and makes it harder for them to achieve savings even when they improve quality and reduce costs. Today, the regional adjustment includes an ACO's own beneficiaries in the regional calculation, which often disadvantages ACOs that make up a large share of their market. While this can harm any ACO, it often has minimal impact for ACOs in areas with a lot of provider competition. Instead, the impact is significant in rural areas where an ACO covers a larger percent of the region's fee-for-service beneficiaries. No ACO should be placed in a less favorable financial position due to their geography alone, and design flaws that discourage ACOs from operating in rural areas should be eliminated.

Amending the Social Security Act to improve the MSSP benchmarking process and level the playing field for rural ACOs is a critical step to ensuring all providers and patients are able to benefit from this program. We thank you for introducing the *Accountable Care In Rural America Act* to achieve this important goal.

Sincerely,

Aledade

American Academy of Family Physicians

American Hospital Association

American Medical Association

AMGA

America's Essential Hospitals

America's Physician Groups

Association of American Medical Colleges

Federation of American Hospitals

Health Care Transformation Task Force

Medical Group Management Association

National Association of ACOs

Premier healthcare alliance

