

Insights

U.S. HEALTHCARE AND LIFE SCIENCES ALERT: CMS UPDATES ACO REACH PROGRAM TO ENCOURAGE INCREASED PARTICIPATION

Aug 23, 2023

This August, the Centers for Medicare and Medicaid Services (CMS) announced multiple changes (to take effective in performance year 2024) to one of its alternative payment models, the Accountable Care Organization Realizing Equity, Access and Community Health (ACO REACH) model.

Providers and ACO's currently participating in ACO REACH should carefully review the updates to the ACO REACH program and determine whether any amendments are needed to document these adjustments. In addition, given the updated risk modifications and increased predictability for the ACO REACH program, providers who have been hesitant to participate in should review the changes as well, to determine whether the revisions are sufficient to make participation in the 2024 performance year a viable and profitable prospect.

By way of context, CMS made these revisions in response to industry stakeholder feedback about deficiencies in ACO REACH that inhibited provider participation in the program. These technical changes to ACO REACH are consistent with CMS' other recent changes to the Medicare Shared Saving Program, again, made in response to stakeholder feedback and lower than anticipated participation in alternative payment models.

CMS no doubt hopes that these changes will increase the likelihood of meeting their goal that all Medicare recipients be part of an ACO by the year 2030.

CMS expects the changes to improve the ACO REACH program by: (1) increasing predictability for model participants, (2) protecting against inappropriate risk score growth and (3) further advancing health equity.

BCLP has significant experience negotiating provider participation agreements and advising on the ACO REACH program. Please contact Jennifer C. Hutchens, Kelly Koeninger or any member of our Healthcare and Life Science industry team to discuss.

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