

Medicare accountable care organizations (ACOs): Recent developments and future directions

ISSUE: Accountable care organizations (ACOs) have been expanding rapidly in the Medicare program. Staff will provide Commissioners with some preliminary information on the first year performance of the Pioneer ACOs and raise issues for discussion concerning the longer-term development of the ACO programs.

KEY POINTS: There are now about 250 ACOs in Medicare serving four million beneficiaries. CMS has reported on the first year of the Pioneer program including that nine of the 32 Pioneer ACOs withdrew. We will discuss the information that CMS reported and what may have prompted some ACOs to withdraw and others to continue. In the longer term, the relationship among traditional fee-for-service, ACOs, and Medicare Advantage plans concerning payment and quality issues will need to be addressed.

ACTION: Commissioners may want to discuss issues regarding ACOs that they would like staff to develop for their future consideration.

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