March XX, 2026

The Honorable Dr. Mehmet Oz
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services

**Re: Modernize Accountable Care to Accelerate Care Transformation**

Dear Administrator Oz:

The undersigned organizations write to express our appreciation for your continued commitment to accountable care. With growing participation in the Medicare Shared Savings Program (MSSP) and the launch of new Innovation Center models, including the Long-Term Enhanced ACO Design (LEAD) Model to succeed the ACO Realizing Equity Access and Community Health (ACO REACH) Model, we are well positioned to transform health care through patient-centered, high-quality, cost-effective care.

Accountable care has been proven to keep Americans healthy by empowering patients and providers with the tools needed to focus on prevention, manage chronic conditions, expand access to services not traditionally covered by Medicare, and reduce overall costs. Accountable care organizations (ACOs) have lowered spending by more than $34 billion over the last decade[1] with physicians and other health care providers in ACOs consistently outperforming clinicians in non-value-based payment models on quality measures, including preventive care measures.[2] Specifically, ACOs have delivered increased preventive care services while lowering hospitalizations, preventable admissions, and readmissions. Moreover, these reforms have produced spillover effects that improve care and lower costs for patients across the health care system.

This success is built on the innovations in care delivery and operations that are only possible in accountable care. These innovations benefit patients through improved care, support providers through higher pay, reduced burnout, and greater satisfaction from increased time engaging with patients, and generate significant financial savings for Medicare. In 2024 alone, MSSP ACOs saved Medicare more than $6.5 billion through improved delivery of care to 10.8 million.[3] Providers in accountable care stand ready to accelerate our progress. We look forward to working with the Centers for Medicare & Medicaid Services (CMS) to modernize ACOs with enhanced innovation and accelerate transformation with a stronger foundation.

---

[1] https://www.naacos.com/wp-content/uploads/2025/09/VBC-in-the-US.pdf
[2] https://www.cms.gov/newsroom/press-releases/medicare-shared-savings-program-continues-deliver-meaningful-savings-and-high-quality-health-care
[3] https://www.cms.gov/media/653171; https://www.healthaffairs.org/content/forefront/medicare-accountable-care-organizations-2024-increased-aco-participation-and-evolving; https://www.cms.gov/priorities/innovation/aco-reach-py2023-financial-and-quality-performance-results-fact-sheet; https://www.healthaffairs.org/content/forefront/aco-reach-2023-performance-results-indicate-pathway-sustainable-accountable-care.

**Embrace Innovation**

We applaud CMS for thoughtfully bringing novel innovation into the LEAD Model. Features, such as flexible cash flow payments, beneficiary engagement incentives, and technology enablement, provide greater freedom and tools to allow providers to focus on meeting patients' needs. While LEAD embraces innovation, MSSP innovation has been stalled since the 2019 Pathways to Success rule which successfully created an on-ramp to risk, leading to increased savings. In 2024, ACOs in downside risk tracks generated savings of 5.50 percent compared to 3.18 percent for ACOs in upside-only tracks.

We ask that CMS once again recharge the program and accelerate innovation for 2027 and beyond by:

- *Improving cash flow options through capitation and less restrictive advanced payments.* Flexible, yet predictable payment structures reduce reliance on fee-for-service and support tailored arrangements with primary care providers, specialists, and preferred providers. Expanding the ACO Primary Care Flex Model and simplifying its payment approach along with greater flexibility for advanced payments are critical initial steps for MSSP along with additional capitation options over time.
- *Expanding beneficiary participation through improved alignment approaches.* Additional alignment will generate increased savings. A signed voluntary alignment option is more accessible for beneficiaries and has resulted in nearly 20 times greater alignment in ACO REACH.[4] CMS should create comparable voluntary alignment approaches across all ACOs. We also appreciate CMS' continued exploration of geographic alignment approaches as part of the AHEAD Model. We ask that successful approaches are deployed across all ACOs.
- *Removing burdensome quality reporting requirements.* The current quality reporting approach requires costly investment but is ultimately decoupled from ACOs' approaches to improving care. We wish to quickly progress to digital quality measurement that allows flexibility in data sources to document quality performance. In the interim, we would also like to request improvements to quality reporting requirements[5].
- *Streamlining burdensome regulations and aligning innovation across MSSP and LEAD.* CMS should incorporate all Innovation Center ACO waivers into MSSP, simplify required reporting for waivers, and create an approach for ACOs to recommend and test additional waivers across accountable care models. Additionally, there is an opportunity to reduce burden by eliminating passive, bureaucratic beneficiary notices, and allowing ACOs to tailor communications for their populations.

Beyond these immediate opportunities for innovation, we would like to work with you on long-term enhancements to LEAD and MSSP. For example, we believe there is an opportunity to give ACOs tools to prevent fraud, waste, and abuse, such as pre-claims review and prepayment medical review capabilities being used in WISeR. Similarly, providers are leveraging technology to improve health care and welcome new payment approaches like the outcome-aligned payments for technology-enabled care in the ACCESS model.

---

[4] https://www.accountablecareaccess.org/s/CACA-Nov25-Strengthening-the-MSSP-through-Voluntary-Alignment.pdf

[5] https://www.naacos.com/wp-content/uploads/2025/11/NAACOS-dQM-Factsheet.pdf

**Accelerate Transformation**

While we embrace innovation, it is only possible with a strong financial foundation. Sustainability of successful models and predictability in financial benchmarks are essential to retaining providers in accountable care. We are concerned that inaccurate trends – benchmarks that penalize providers for past successful performance – and holding ACOs financially accountable for fraud, waste, and abuse beyond their control will erode confidence and participation in accountable care. We offer three approaches that will ensure stability for providers in MSSP and ACO REACH.

*Protect ACOs from Fraud, Waste, and Abuse.*

Providers in ACOs are on the front lines of identifying and addressing fraud, waste, and abuse in health care but stronger collaboration is needed. In 2025, Medicare saw wasteful and potentially fraudulent spending for $12.4 billion in skin substitutes, $2.66 billion in urinary catheters, and $3.5 billion for other durable medical equipment. However, ACOs are still held accountable for this egregious spending, even when CMS has stopped payment on many claims. This threatens ACOs' ability to achieve shared savings and puts many at risk of paying shared losses. CMS must implement policies to remove fraudulent, wasteful, and abusive spending from expenditures and protect ACOs differently impacted by wasteful and abusive spending.

*Fix Inaccurate Trend Adjustments.*

As currently structured, unreliable prospective trend adjustments unreasonably hold ACOs accountable for CMS' forecasting errors of Medicare cost trends. This results in significant financial harm for ACOs. In 2025 the Accountable Care Prospective Trend (ACPT) was again lower than actual inflation – 5.1 percent for the 2025 contract class of new and renewing ACOs and 4.9 percent for the 2024 contract class of new and renewing ACOs compared to actual inflation of 6.83 percent – resulting in $702 million in losses for ACOs. CMS should take responsibility for its actuarial projections and protect ACOs. We appreciate that CMS has indicated it will place guardrails on prospective trends in LEAD; however, we need similar protections for current ACOs. For MSSP, CMS should reweight the ACPT to zero for all MSSP participants in 2025 and establish guardrails for future years to provide predictability**.** In ACO REACH, CMS should remove the retrospective trend adjustment (RTA) risk corridors for 2025 and 2026 or, at a minimum, revise them to remove improper fraud, waste, and abuse claims from risk corridor calculations, cap expenditures for certain improper claims, and update the rate book based on actual recent trend.

*Address the Benchmark Ratchet.*

We ask that CMS focus on addressing the ACO-specific ratchet effect, which occurs when an ACO successfully lowers its expenditures during an agreement period, lowering the baseline historical expenditures at contract renewal. This has greater significance for most current participants. CMS should increase the prior savings adjustment, allow ACOs to receive regional adjustments and the prior savings adjustment, improve risk adjustment by applying symmetrical caps to the ACO and the regional risk growth, and explore options to provide long-term stability in the benchmark.

Thank you for your attention to these important issues.

Sincerely,