

Supporting Primary Care | Protecting Medicare Savings

REQUEST:

Eliminate the Retrospective Trend Adjustment (RTA) risk corridors in the ACO REACH program that is cutting funding to doctors and putting Medicare patients at risk.

The Challenge:

Primary care doctors and their patients participating in the Accountable Care Organization (ACO) REACH program face arbitrary funding cuts to absorb the cost of a CMS forecasting error.

In 2023, CMS implemented a “risk corridors” policy to protect ACOs from forecasting volatility, but has never achieved its goal:

- **CMS underpredicted healthcare costs by an estimated 10% for 2025**, creating a budget shortfall.
- **The RTA risk corridors forces ACO REACH participants to absorb CMS underprediction errors, resulting in funding cuts of about 4%. For a typical primary care practice, this means losing roughly \$155,000**—money that directly supports seniors in your district.
- **The larger CMS's forecasting error, the more ACO REACH primary care physicians lose funding** for essential programs that keep patients healthy.

This policy is being applied to the 2025 performance year, impacting doctors and patients now.

Impact on Patients and Doctors:

In the United States, this policy impacts **19,212,168 patients** and **2,994 practices**.

Seniors who rely on vital services like care coordination, post-hospital follow-ups, and medication management could lose access as practices are forced to cut programs.

The cost of not eliminating this policy:

An **estimated \$600 per Medicare patient** lost in funding for essential programs—resulting in additional Medicare spending on an annualized basis resulting from RTA risk corridors miscalculation.

The Solution:

Elimination of the RTA risk corridors in ACO REACH protects both Medicare patients and primary care doctors from cuts that threaten proven cost-saving programs **that save CMS billions of dollars each year**. This is a straightforward fix to a failed policy that is actively harming patients and doctors.

If this policy remains: ACO REACH practices operating on thin margins will be forced to cut patient services, lay off care coordination staff, or exit value-based Medicare programs entirely—making Medicare more expensive.

Who We Are:

This policy impacts all ACO REACH participants nationwide. **One representative example is Vytalize Health**, a physician-led organization supporting independent primary care physicians across 30 states whose practices serve over **one million patients**, including Medicare patients participating in the ACO REACH program. Vytalize partners with CMS in a value-based payment arrangement that rewards coordinated, innovative healthcare interventions.

Vytalize has generated over **\$300 million in Medicare savings** through partnerships with independent community physicians. The RTA risk corridors would cut **approximately 4%** from reimbursement, threatening participating practices' ability to sustain essential programs that produce these savings.