

ACO Leaders Say Mandatory Models Could Expand Value-Based Care, But Incentives Must Be Right

Mar 16, 2026, 4:17 PM EDT

Jalen Brown (jbrown@iwpnews.com)

(Inside Health Policy)

After CMS Innovation Center Director Abe Sutton suggested the agency is striving to get more providers into mandatory models, accountable care organization (ACO) leaders told *Inside Health Policy* that mandatory payment models could play a larger role in expanding value-based care but their success will depend heavily on how CMS structures incentives and provider participation requirements.

Mara McDermott, the chief executive officer of Accountable for Health, told *IHP* in an interview earlier this month that mandatory models could help expand participation in payment reform and increase opportunities for Medicare savings.

“We’re supportive of mandatory models in the right circumstances,” McDermott said, adding that mandatory participation could help “maximize a savings opportunity” as policymakers continue pushing the Center for Medicare & Medicaid Innovation (CMMI) to show measurable cost reductions.

She added that mandatory models could also help engage providers who have not joined voluntary value-based payment initiatives, despite years of opportunities to do so. McDermott also argued that evidence from accountable care organizations and other alternative payment models shows value-based approaches can improve care quality while reducing costs.

“The models have outperformed on better care,” she said. “The quality is clearly better.”

The Innovation Center proposed three mandatory models last year, including the ambulatory specialty model and two demonstrations targeting Medicare Part B drugs. During A4H’s conference on March 3, Sutton said models like these could help address selection bias that often arises in voluntary demonstrations when providers choose whether to participate.

“Mandatory models are going to have to be part of the equation,” Sutton said.

While some groups see the potential benefits, other stakeholders are more cautious about expanding mandatory payment models.

For example, Aisha Pittman, senior vice president of government affairs at the National Association of Accountable Care Organizations (NAACOS), told *IHP* earlier this month that mandatory models are “a gray area” for many accountable care stakeholders.

Pittman said the Innovation Center sometimes turns to mandatory models when voluntary participation is insufficient to properly evaluate whether a payment model works. But she emphasized that the most important thing about a model is not whether it’s voluntary or mandatory, but whether it allows providers to succeed financially and operationally.

“We’re not opposed to mandatory models,” she said, but they must provide “an opportunity for upside in the payment realm, not just downside only.”

“If you structure a model right, and it has the right incentives, it will naturally bring providers into the models,” Pittman added, noting that ACOs have grown steadily under voluntary participation.

Specifically, Pittman said providers need sufficient lead time and technical support to participate successfully.

“Those are the two components that we would really want to see in any mandatory model,” Pittman said.

During last week’s interview, Pittman also noted that the definition of mandatory participation can vary depending on how models are structured. For example, the geographic attribution approach in CMS’ AHEAD model would assign previously unaligned Medicare beneficiaries to ACOs based on where they live -- a design some stakeholders interpret as a form of mandatory participation.

That approach could help bring additional beneficiaries into value-based arrangements as participation in accountable care models begins to plateau after years of steady growth.

While stakeholders paint this to be something of a nuanced topic, it’s at least safe to say the political environment around mandatory models has shifted since the Obama administration. According to McDermott, earlier mandatory models introduced during the Obama administration faced strong pushback from lawmakers and providers, but opposition appears to have softened somewhat in recent years.

“I think the political opposition on mandatory has softened a little bit,” McDermott said, pointing to the administration’s recently proposed ambulatory specialty model, which would require participation among certain providers but has generated less backlash than previous mandatory demonstrations.

The discussion around mandatory models comes as lawmakers consider broader reforms to physician payment under the Medicare Access and CHIP Reauthorization Act (MACRA). The GOP Doctors Caucus and the Democratic Doctors Caucus unveiled a request for information (RFI) earlier this year to gather stakeholder feedback on how Congress should reform the Medicare physician payment system created by MACRA.

Still, a key stakeholder told *IHP* that those efforts will likely take time, as major structural reforms to MACRA are unlikely to happen during an election year.