

GUIDE

ACO REACH Model Quick Reference



ACO REACH Model Performance

Year 2026 Model Update

PY2026 Model Update	Description
Modify Risk Score Growth Constraints	<p>Standard ACOs: New Policy: Some ACOs had large risk score growth in the early years of the model (2019–2022). For PY 2026, after the application of the current Cap and CIF policy, CMS will apply an additional cap of 3% on risk score growth from 2019 to 2026 to constrain risk score growth from the early years of the model.</p> <p>High Needs ACOs: New Policy: In PY 2026, CMS will increase the ceiling on the CIF from 1% to 2% for High Needs ACOs. For newly voluntarily aligned beneficiaries in High Needs ACOs, CMS will apply an asymmetric risk score growth cap of 8% from 2023 to 2026. No minimum beneficiary threshold will apply to the newly voluntarily aligned risk score cap.</p> <p>All ACOs: New Policy: In PY 2026, ACOs with a beneficiary population in the Performance Year that is at least 3 times the reference year population will no longer be exempt from risk score caps.</p>
Reduce the Regional Component of the Benchmark for All REACH ACOs	<p>New Policy: In PY 2026, CMS will decrease the regional benchmark weighting for all REACH ACOs.</p> <ul style="list-style-type: none"> • For Standard ACOs: The weighting will change by 5% from 55%/45% blended historical and regional expenditures in PY 2024 and PY 2025 to 60%/40% in PY 2026. • For New Entrant and High Needs ACOs: The weighting will change by 5% from 50%/50% blended historical and regional expenditures in PY 2025 to 55%/45% in PY 2026.
Narrow the 1st Risk Corridors to 10% for REACH ACOs in the Global Risk Option	<p>Risk corridors serve as a key risk mitigation mechanism in the ACO REACH Model. The aggregate amount of savings or losses that ACOs in Global or Professional tracks are eligible to receive as Shared Savings or are required to repay as Shared Losses are constrained by a series of risk corridors.</p> <p>New Policy: In PY 2026, CMS will narrow the 1st risk corridor to be 10% (instead of 25%) for REACH ACOs in the Global risk option (100% risk), so that savings and losses above 10% are shared with CMS.</p>

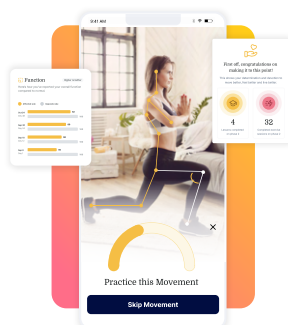
ACO REACH Model Performance Year 2026 Model Update

PY2026 Model Update	Description
Increase Quality Withhold From 2% to 5% While Proportionally Increasing the High Performers Pool (HPP) Bonus	<p>For all REACH ACOs, a portion of the benchmark is held “at risk,” dependent on the ACO’s quality performance.</p> <p>New Policy: In PY 2026, CMS will increase the Quality Withhold from 2% to 5%, which will accordingly increase the HPP Bonus.</p>
Reduce the Regional Component of the Benchmark for All REACH ACOs	<p>The revised Part C prospective risk adjustment model that is applied under the Medicare Advantage Program is applied to Standard and New Entrant ACOs.</p> <p>New Policy: In PY 2026, CMS will continue with implementation of the V28 model and increase the weight on the new V28 prospective HCC model to 100%. The concurrent risk adjustment model used for High Needs ACOs is not being modified.</p>
Adjust PY 2024 Expenditures for Significant, Anomalous, and Highly Suspect (SAHS) Billing	<p>New Policy: ACO REACH will remove two HCPCS codes (A4353 and A5057) associated with intermittent urinary catheter supplies and ostomy bags that were identified for SAHS billing activity from 2024 expenditures and re-calculate the retrospective trend adjustment and stop loss. These two HCPCS codes will be excluded from Performance Year expenditures and Retrospective Trend Adjustments for PY 2024 and from historical benchmark years for PY 2024, unlike with PY 2023 SAHS policy, where historical benchmark adjustments were not made for SAHS, and will be excluded from future performance years where 2024 serves as a benchmark year.</p>

This guide includes summarized content from the ACO REACH Model Performance Year 2026 Model Update – Quick Reference. For complete and up-to-date information, refer to the original source at <https://www.cms.gov/aco-reach-model-performance-year-2026-model-update-quick-reference>



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