

MEMORANDUM

TO: Board of Directors, [ACO Name]

FROM: Health Transformation Advisory Team

DATE: September 22, 2026

SUBJECT: Executive Briefing: CMS CY 2027 Proposed Rule Changes for MSSP ACOs

Executive Summary

The Centers for Medicare & Medicaid Services (CMS) released the **Calendar Year (CY) 2027 Medicare Physician Fee Schedule (PFS) Proposed Rule**, outlining policy updates for the Medicare Shared Savings Program (MSSP). These proposals focus on **reducing reporting burden, stabilizing quality scoring benchmarks, and accelerating digital quality measurement**.

Overall, the changes provide greater flexibility and performance predictability for the ACO. However, they also require technical adjustments to the health IT infrastructure and reporting strategy over the next 12 to 24 months.

Key Policy Changes & Impact Analysis

1. Introduction of "Medicare eQMs" Collection Type

- **Policy Change:** CMS is establishing a new quality data collection option—**Medicare Electronic Clinical Quality Measures (Medicare eQMs)**—for ACOs reporting the APM Performance Pathway (APP) Plus measure set starting in CY 2027.
- **Impact:** Unlike traditional eQMs that require aggregating data across all patients and all payers, Medicare eQMs limit electronic reporting strictly to your **assigned Medicare beneficiary panel**. This significantly reduces data extraction complexity while

paving the way for automated quality capture directly from electronic health records (EHRs).

2. Extension & Flat Benchmarking for Medicare CQMs

- **Policy Change:** CMS is extending the availability of **MIPS Clinical Quality Measures (CQMs)** and proposing that all measures under the **Medicare CQM** pathway be scored using **flat benchmarks** starting in CY 2027.
- **Retroactive Provision:** Flat benchmarks will also apply retroactively to CY 2026 for three core measures: *Diabetes Glycemic Control (ID 001)*, *Depression Screening (ID 134)*, and *Blood Pressure Control (ID 236)*.
- **Impact:** Flat benchmarks eliminate the unpredictability of shifting historical peer benchmarks, establishing clear, static targets for our clinical teams in chronic disease management and preventive care.

3. Alignment of Eligible Beneficiary Population

- **Policy Change:** CMS is refining the definition of a "*beneficiary eligible for Medicare CQMs*" to align directly with the ACO's assigned beneficiary population starting in CY 2027.
- **Impact:** This removes administrative friction by ensuring your quality reporting scope matches your attributed panel, eliminating audit mismatches and reporting discrepancies.

4. CEHRT Updates & Future Electronic Prior Authorization

- **Policy Change:** CMS is updating Certified Electronic Health Record Technology (CEHRT) requirements and soliciting feedback on mandating **Electronic Prior Authorization** for MSSP ACOs in future rulemaking.
- **Impact:** Signals a continued push toward real-time interoperability. Practice workflows across our network will need to integrate automated prior authorization tools over the coming years.

We can help you implement the following Strategic Recommendations & Next Steps

1. **Evaluate Data Collection Pathways (Q4 2026):** Support your Clinical Quality & IT committees in performing a cost-benefit analysis comparing **Medicare CQMs** vs. **Medicare eCQMs** to determine the optimal collection method for CY 2027.
2. **Re-align Quality Targets for CY 2026/2027 (Q4 2026):** work with your Quality management team to update internal performance dashboards to reflect the newly proposed flat benchmarks for Diabetes, Hypertension, and Depression screenings.
3. **Audit EHR Interoperability & CEHRT Compliance (Q1 2027):** Partner with your IT leadership team to engage provider practices across the network to ensure full compliance with updated CEHRT standards and assess readiness for electronic prior authorization capabilities.

For questions or further discussion, please reach out to our Principal Advisors at contact@healthtransformationadvisory.com