

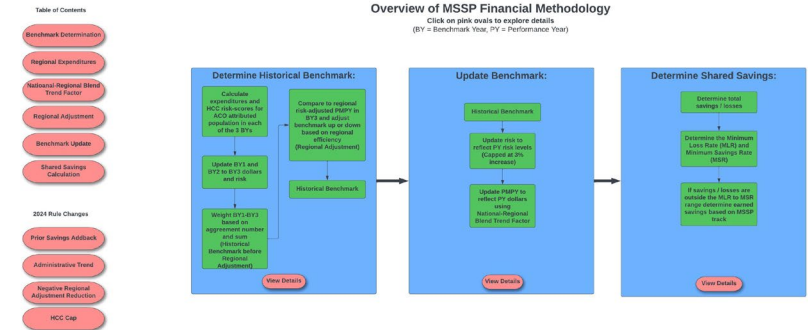
Walkthrough of Prior Savings-Addback and other MSSP Benchmark Resources

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IAC Resources for MSSP Financial Calculations

- Flowcharts:
 - Map of MSSP financial calculations
 - Highlights rule changes
 - Available on IAC website (Add URL)
- Video course on MSSP Financial Calculations
 - Detailed Walkthrough
 - Targeted at understanding the mechanisms that drive financial performance
 - Available on IAC website (add URL)

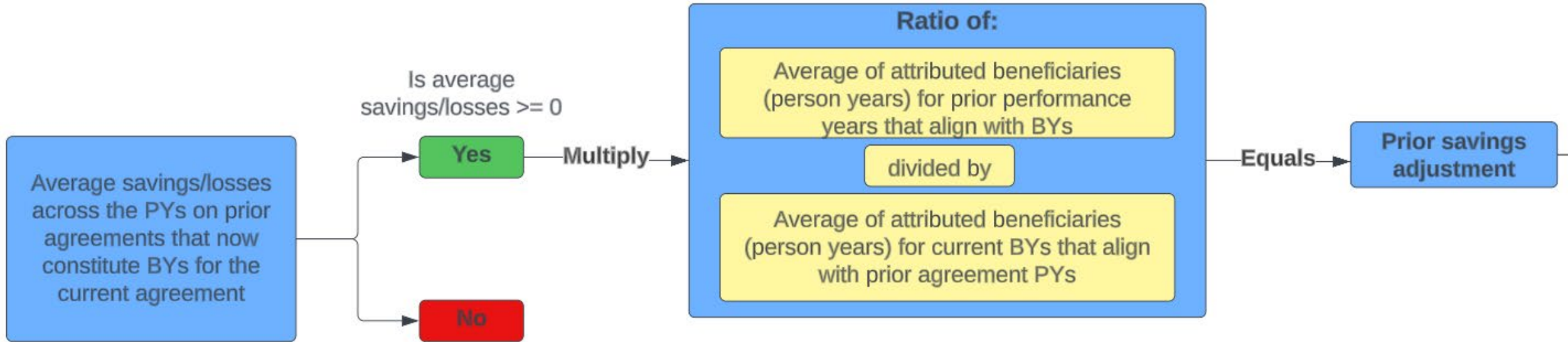


Go back to
Overview

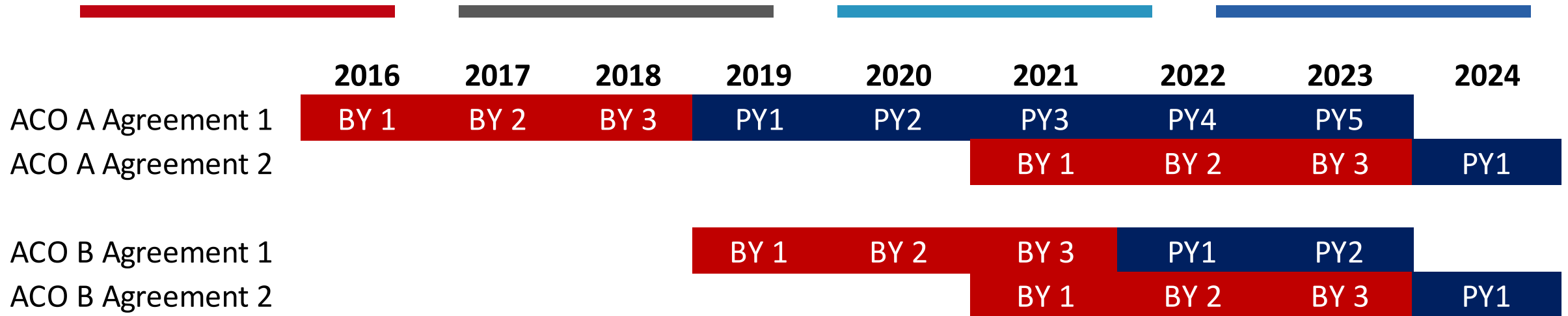
Go to
Benchmark

Prior Savings Add Back (2024 Change)

Process done at the entitlement group level



Example



- ACO A Started as an ACO in 2019 and completed a 5-year agreement
- ACO B started as an ACO in 2022 but decided to re-up early to be included in the rule changes.

Determine Average Prior Savings/Losses

| | Agreement 1 Savings | | | | | | | | |
|-------------------|---------------------|------|------|------|-------|------|-------|-------|------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| ACO A Agreement 1 | BY 1 | BY 2 | BY 3 | \$30 | \$200 | \$50 | -\$75 | \$100 | |
| ACO A Agreement 2 | | | | | | BY 1 | BY 2 | BY 3 | PY1 |
| ACO B Agreement 1 | | | | BY 1 | BY 2 | BY 3 | \$150 | \$75 | |
| ACO B Agreement 2 | | | | | | BY 1 | BY 2 | BY 3 | PY1 |

- The average savings/losses for ACO A were:
 $(\$50 + -\$75 + \$100) / 3 = \25
- The average savings/losses for ACO B were:
 $(\$0 + \$150 + \$75) / 3 = \75
- Both ACOs have a positive average so both are eligible for the savings-addback

Determine Beneficiary Proration factor

| | Beneficiaries | | | | | | | | | |
|-------------------|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
| ACO A Agreement 1 | 25,000 | 26,000 | 24,000 | 26,500 | 27,000 | 28,000 | 29,500 | 24,000 | | |
| ACO A Agreement 2 | | | | | | 17,000 | 17,500 | 16,500 | 17,000 | |
| ACO B Agreement 1 | | | | 12,000 | 12,750 | 12,250 | 12,500 | 12,000 | | |
| ACO B Agreement 2 | | | | | | 15,000 | 16,000 | 17,000 | 17,500 | |

- ACO A shrank from agreement 1 to agreement 2:

$$\frac{(28,000+29,500+24,000)/3}{(17,000+17,500+16,500)/3} = 1.6$$

- ACO A's proration factor is greater than 1 so it is capped at 1
- ACO B grew from agreement 1 to agreement 2:

$$\frac{(12,500+12,000)/2}{(16,000+17,000)/2} = 0.742$$

- For ACO B we only use the two years that were PYs in the prior agreement

Prior Savings Adjustment

- ACO A: Average Prior Savings (\$25) * Beneficiary Proration Factor (1) = \$25
- ACO B: Average Prior Savings (\$75) * Beneficiary Proration Factor (.742) = \$56

View Details on Regional Adjustment

Is Regional adjustment positive?

Yes

Multiply

50%

Cap at 5% of national PMPY

Is prorated, capped prior savings adjustment larger than regional adjustment?

Yes

Prorated, capped prior savings is the total benchmark adjustment

No

Regional adjustment is the total benchmark adjustment

Prior savings adjustment

No

Sum regional and prior savings adjustment

Is sum of adjustments positive?

Yes

Multiply

50%

cap at 5% of national PMPY

Total benchmark adjustment

No

Total benchmark adjustment

How Savings are Applied

- Depends on Regional Adjustment
 - If Regional Adjustment is positive then take the greater of the two
 - If Regional Adjustment is negative then take the sum of the Regional Adjustment and the Prior Savings Adjustment
- Capped at 5% of National PMPY
- ACO A has a Regional Adjustment of -\$15
 - $\$25 + -\$15 = \$10 * .5 = \5 final adjustment
- ACO B has a Regional Adjustment of \$60
 - $\$56 * .5 = \28 , $\$28 < \60 so ACO B keeps the Regional Adjustment of \$60