

Medicare ACO Program Results: 2023 Edition

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This chartbook includes key data points on Medicare ACO programs, including details on financial results and quality performance.

For NAACOS members interested in using this chartbook in your own presentations, please email advocacy@naacos.com for a copy of the PowerPoint file

KEY TERMS

Gross Savings: The difference between ACOs' benchmark, or CMS-set financial targets, and actual spending.

Net Savings: Money returned to CMS after accounting for shared savings payments, shared loss payments, and discounts.

Highlights of the 2023 Medicare ACO Program Results

- *In 2023, Medicare Shared Savings Program (MSSP) ACOs...*
 - ✓ ...generated **\$5.2 billion in gross savings** and \$2.1 billion after accounting for shared savings payments.
 - ✓ ...generated an **average savings of \$504 per patient** compared to their benchmarks, which is a new program best.
 - ✓ ...earned **\$3.1 billion in shared savings** payments, also a new program high.
- *More key findings from the 2023 MSSP ACO results:*

7th

straight year MSSP ACOs delivered net savings to Medicare

100%

of ACOs met quality standards required to share in savings

85%

of ACOs saved Medicare money, a new program high

4.0%

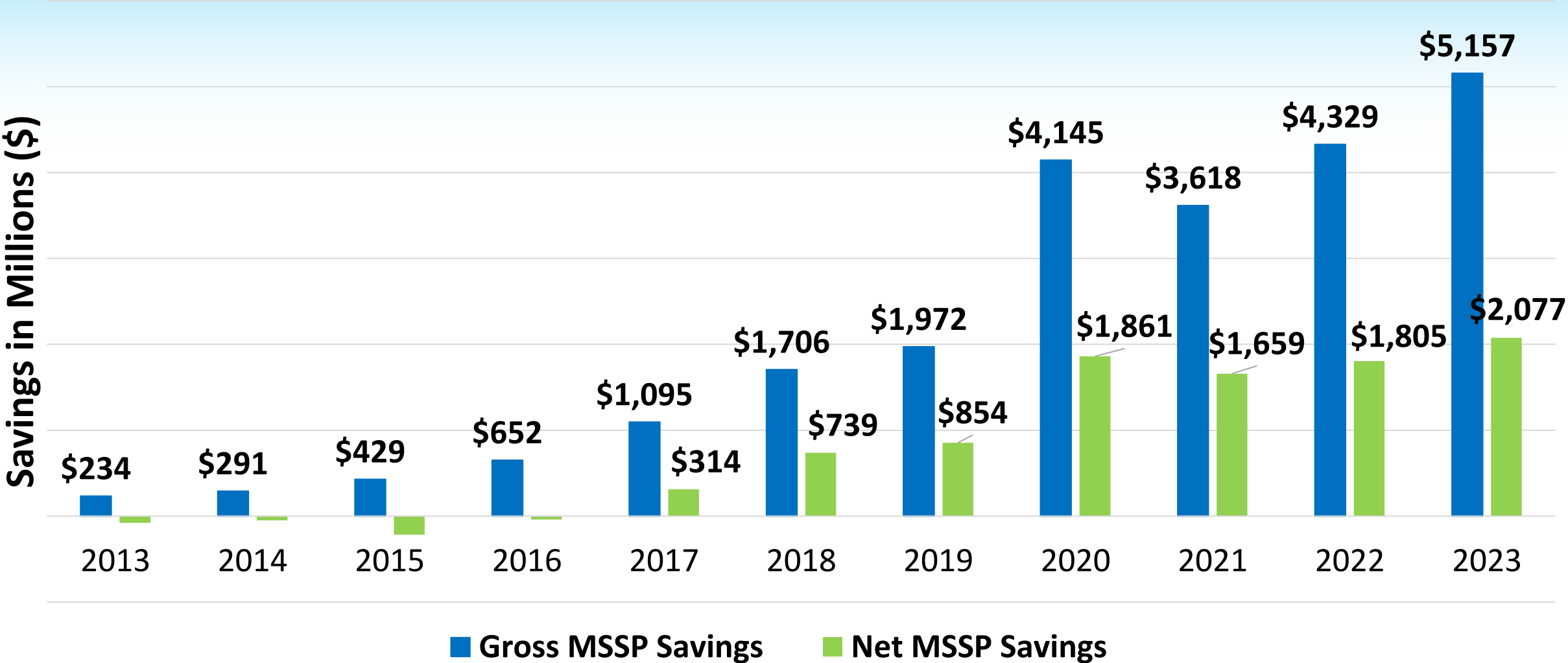
Overall savings rate, surpassing the previous high of 3.9%



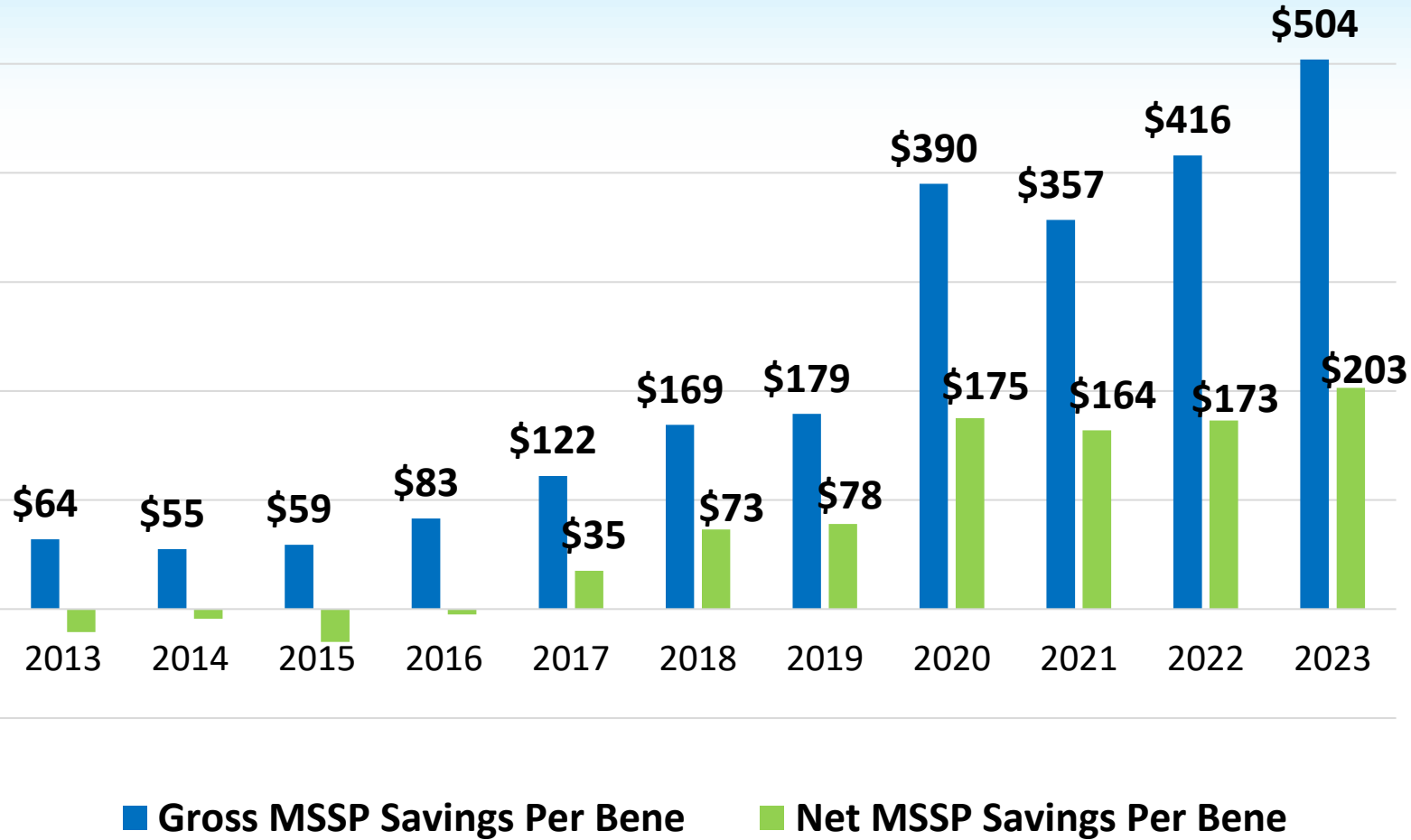
TOTAL MEDICARE ACO SAVINGS

Since 2012, ACOs have saved Medicare \$28.3 billion in gross savings and \$11.1 billion in net savings.

Total gross and net savings generated to Medicare from the Shared Savings Program, 2013-2023



Average gross and net savings generated to Medicare per assigned patient per year in the Shared Savings Program, 2013-2023



HOW DO ACOS USE SHARED SAVINGS?

ACOs must tell CMS how they plan to use their shared savings. CMS analyzed the distributions of ACOs who generated shared savings from 2013 to 2017 and shared the top ways ACOs use savings:

- Supporting ACO physicians and hospitals (56 percent)
- Investing in ACO infrastructure (23 percent)
- Investing in care redesign (18 percent)

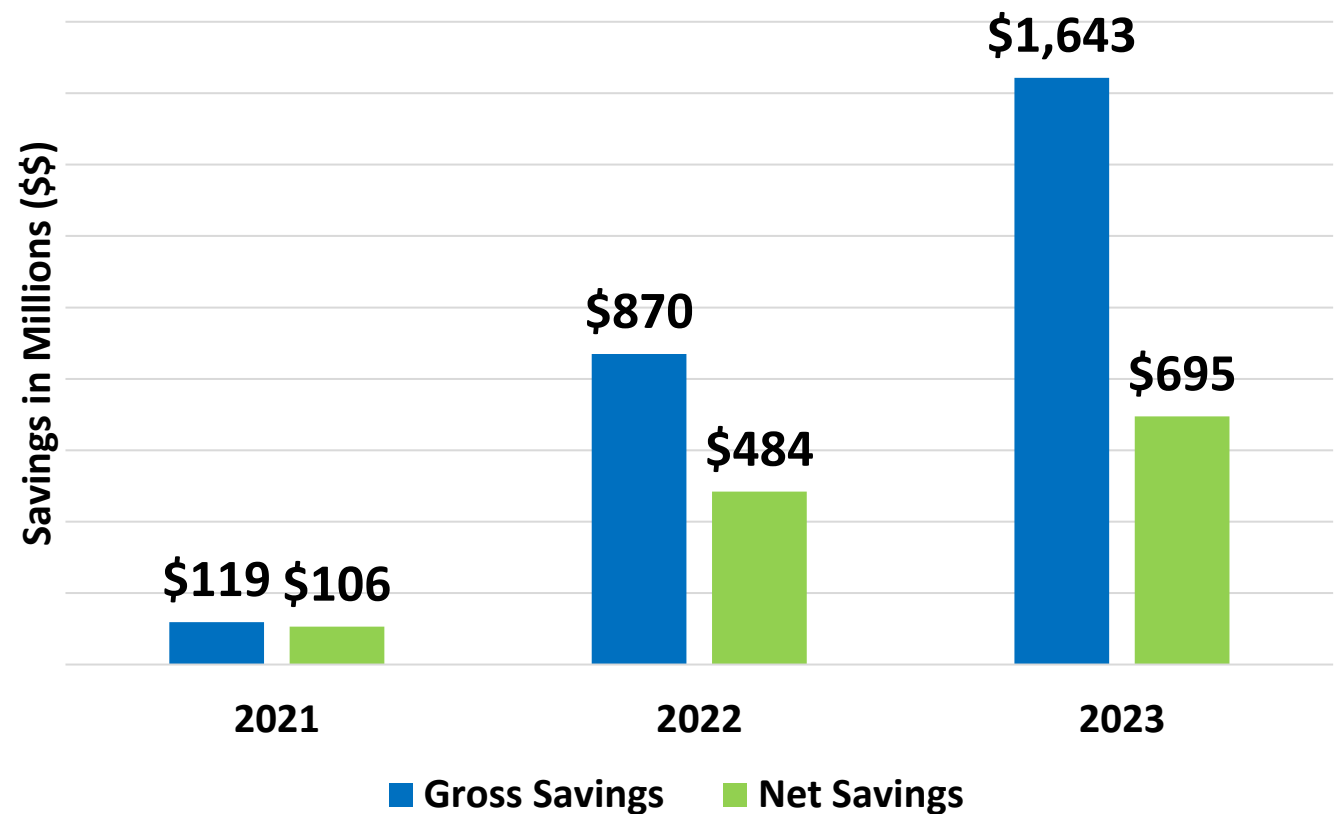
Source: CMS's May 31, 2019 ACO Spotlight [newsletter](#).

Innovation Center's ACO continue to increase their levels of savings: ACO Realizing, Access, Equity, and Community Health (REACH) Model

In 2023, the ACO REACH Model saved \$1.6 billion compared to CMS-generated benchmarks and \$695 million after accounting for shared savings, shared losses, and discounts paid to CMS.

- On average, each ACO generated nearly \$7.5 million in net savings to Medicare
- 73% of ACOs earned net savings
- 32 of 132 ACOs achieved a perfect quality score
- Between 2022 and 2023, per beneficiary per month gross savings increased by 72%

Gross and net savings generated by the CMS Innovation Center's ACO REACH* model, 2021-2023,



**In 2021 and 2022, the model operated as the Global and Professional Direct Contracting model before transitioning to ACO REACH in 2023*

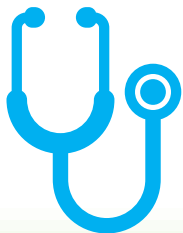
Quality continues to improve



All MSSP ACOs met quality standards required to share in savings for the 2023 performance year.

Between 2022 and 2023, ACOs made statistically significant improvements on quality measures related to:

- ✓ Diabetes and blood pressure control,
- ✓ Breast and colon cancer screenings,
- ✓ Screening for future fall risks,
- ✓ Depression screening and follow up, and
- ✓ Statin therapy for prevention and treatment of cardiovascular disease.



53 MSSP ACOs recorded quality scores above 90!

“Accountable care organizations in the Medicare Shared Savings Program continue to deliver high-quality health care for people with Medicare and meaningful savings for the Medicare program.”

– CMS press release, October 2024

ACOs are saving money for Medicare regardless of various ACO distinctions

ACOs' focus on whole-person care, managing cost and quality for the full year, and developing population health infrastructure drives continued success.

Despite the ability to cut the performance data by many different ACO categorizations our analysis of the data shows:

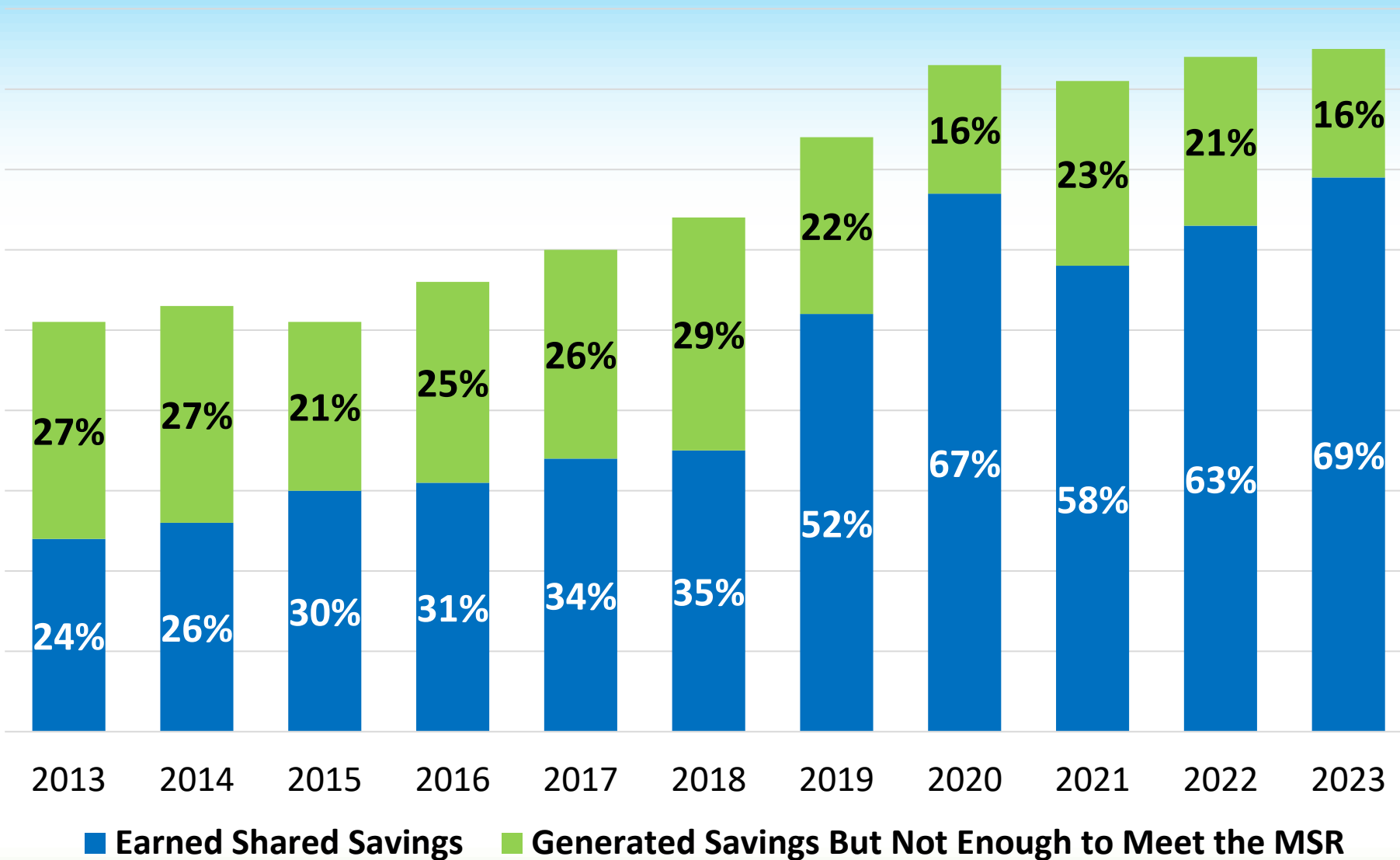
- ACOs in both shared savings-only and two-sided risk tracks create hundreds of dollars per person in gross and net savings.
- ACOs categorized by CMS as “high revenue” and “low revenue” create hundreds of dollars per person in gross and net savings.

Gross total savings and per patient savings by ACO risk arrangement, 2019-2022

	2020		2021		2022		2023	
	Two-Sided	One-Sided	Two-Sided	One-Sided	Two-Sided	One-Sided	Two-Sided	One-Sided
# of ACOs	227	323	283	280	383	198	434	151
# of Patients	5,318,764	6,377,058	5,825,206	5,687,971	8,495,354	3,751,970	9,453,319	2,828,146
Gross Savings	\$2.9 billion	\$1.9 billion	\$2.5 billion	\$1.5 billion	\$4.2 billion	\$1.0 billion	\$5.9 billion	\$930 million
Gross Savings Per Patient	\$545.87	\$294.61	\$426.93	\$267.06	\$493.95	\$267.15	\$624.12	\$328.89

Includes savings from MSSP, [Next Gen ACOs](#), [Global and Professional Direct Contracting](#), & [ACO REACH](#).

Percent of MSSP ACOs that generated savings and earned shared savings



- 85 percent of ACOs saved Medicare money in 2023, a new program high.
- 69 percent saved enough to earn shared savings.

To achieve shared savings an ACO must keep spending below its benchmark by a certain threshold, known as the minimum savings rate (MSR).

Total Medicare ACO savings

While the MSSP is the largest and only permanent Medicare ACO program, other ACO programs have also generated savings for Medicare over the past decade.

- When including savings through 2023 from all of Medicare's ACO programs, ACOs have saved Medicare nearly \$28.3 billion in gross savings and more than \$11.1 billion in net savings.
- Data show these ACOs continued to provide high-quality care and yield satisfied patients.

Total Medicare ACO gross and net savings, 2013-2023

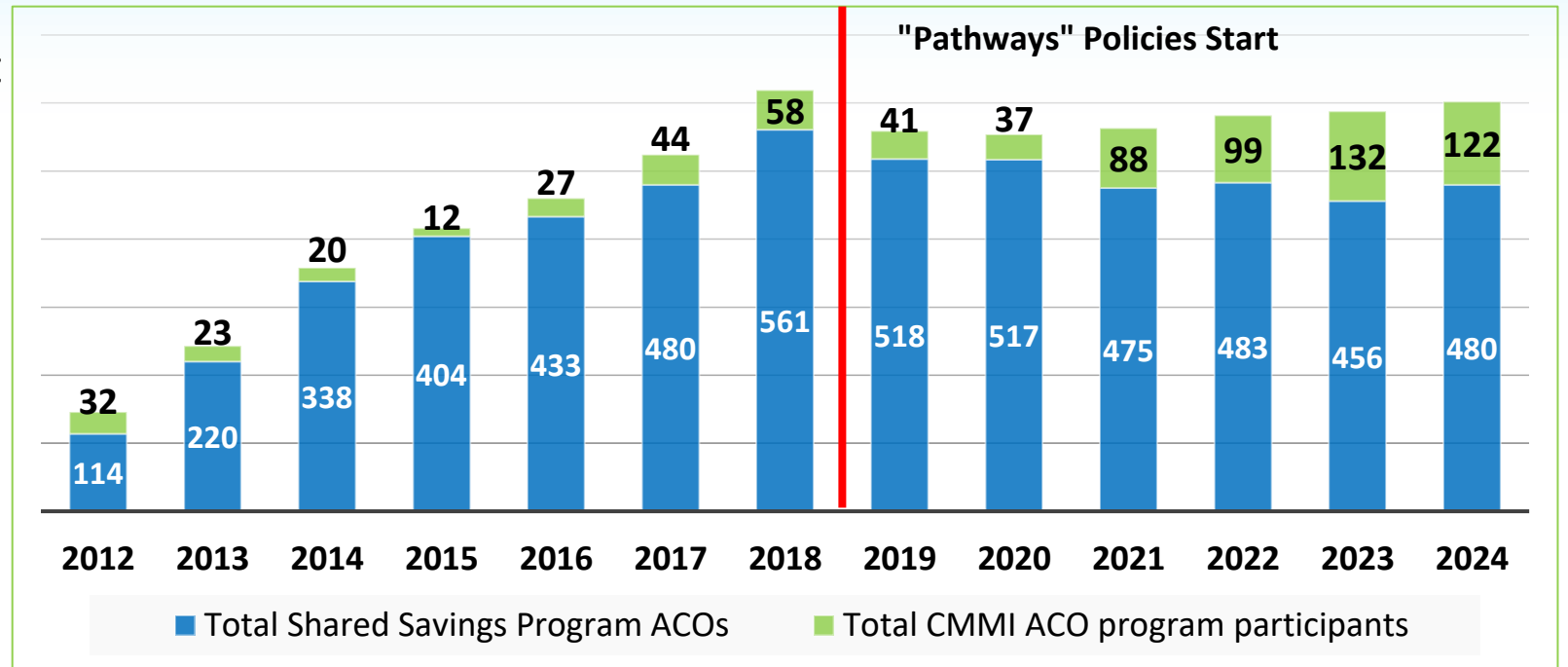
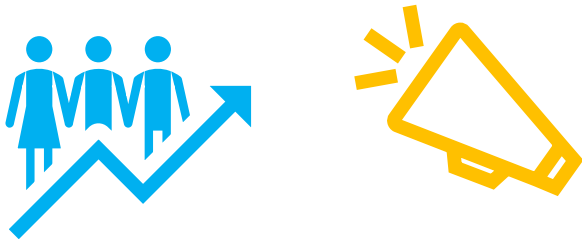


Totals include savings from MSSP, [Next Gen ACOs](#), and [Global and Professional Direct Contracting](#) and [ACO REACH](#) model participants.

Conclusion

ACOs continue to deliver high quality care for patients while generating sustained savings to Medicare. Making providers accountable for patients' total cost of care provides incentives to reduce spending and improve outcomes. Despite this evidence, the number of ACOs has plateaued in recent years.

NAACOS [advocates for policies](#) that support broad participation in ACO programs and ensure long-term success in value-based care initiatives.



Policymakers should look for opportunities to grow ACO participation so that ACOs' benefits can spread to more patients, while helping solve Medicare's looming insolvency issues. Learn more about [NAACOS' advocacy](#) efforts.