



Medicare ACO Program Results: 2022 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 2022 Medicare ACO Program Results

- *In 2022, Medicare Shared Savings Program (MSSP) ACOs...*
 - ✓ ...generated **\$4.3 billion in gross savings** and \$1.8 billion after accounting for shared savings payments.
 - ✓ ...generated an **average savings of \$416 per patient** compared to their benchmarks.
 - ✓ ...earned **\$2.5 billion in shared savings** payments, a new program high.
- *More key findings from the 2022 MSSP ACO results:*

6th

straight year MSSP ACOs delivered net savings to Medicare

100%

of ACOs met quality standards required to share in savings

84%

of ACOs saved Medicare money

59%

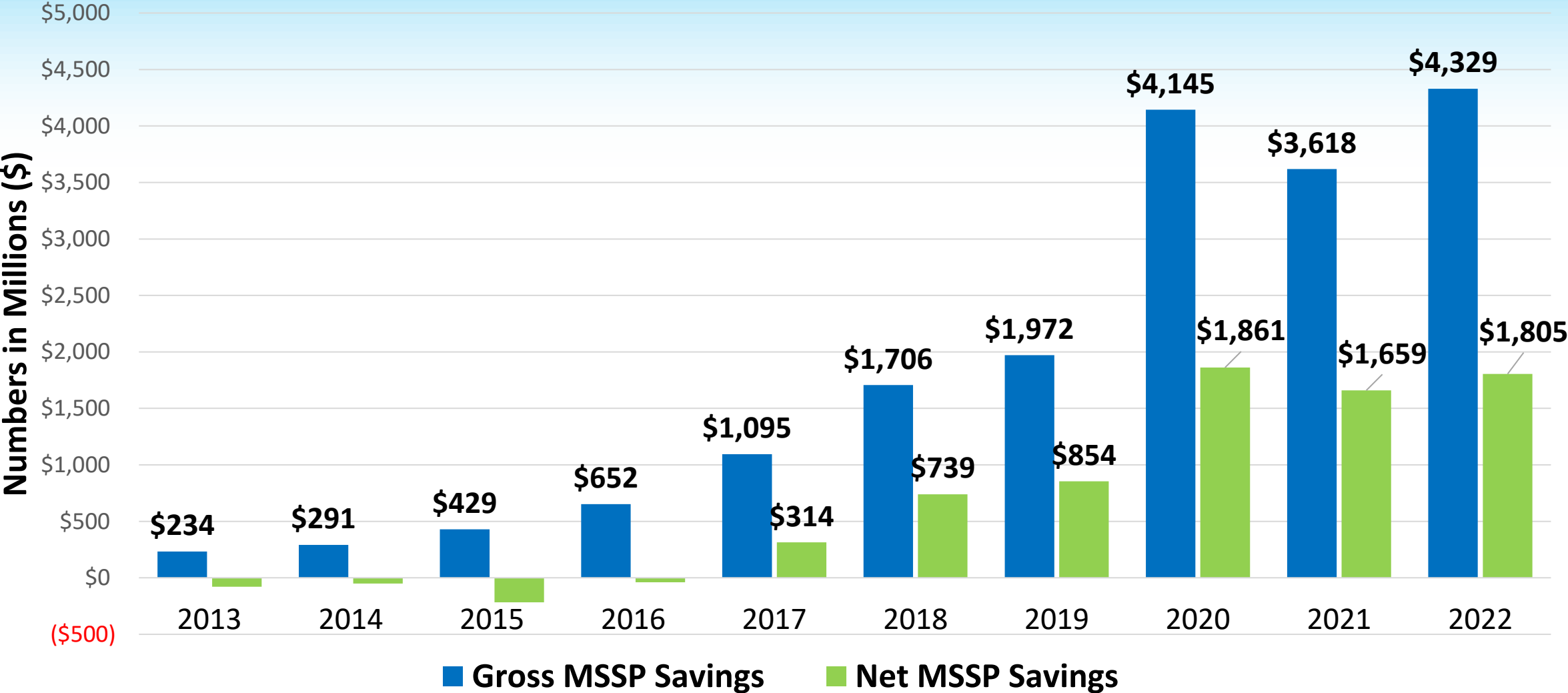
of ACOs were in two-sided risk tracks, a new program high



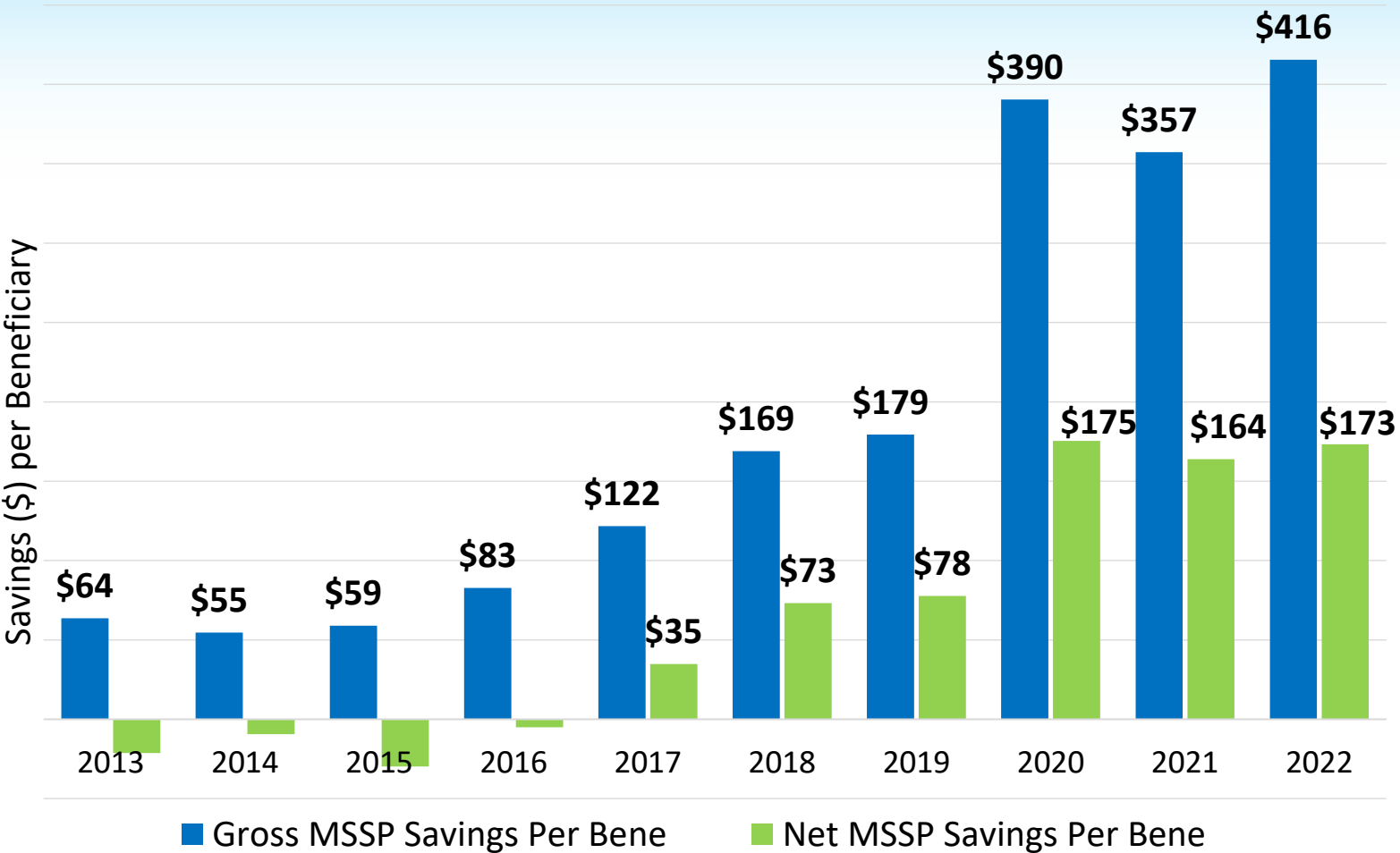
TOTAL MEDICARE ACO SAVINGS

Since 2012, ACOs have saved Medicare \$22.4 billion in gross savings and \$8.8 billion in net savings.

Total gross and net savings generated to Medicare from the Shared Savings Program, 2013-2022



Average gross and net savings generated to Medicare per assigned patient per year in the Shared Savings Program, 2013-2022



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)

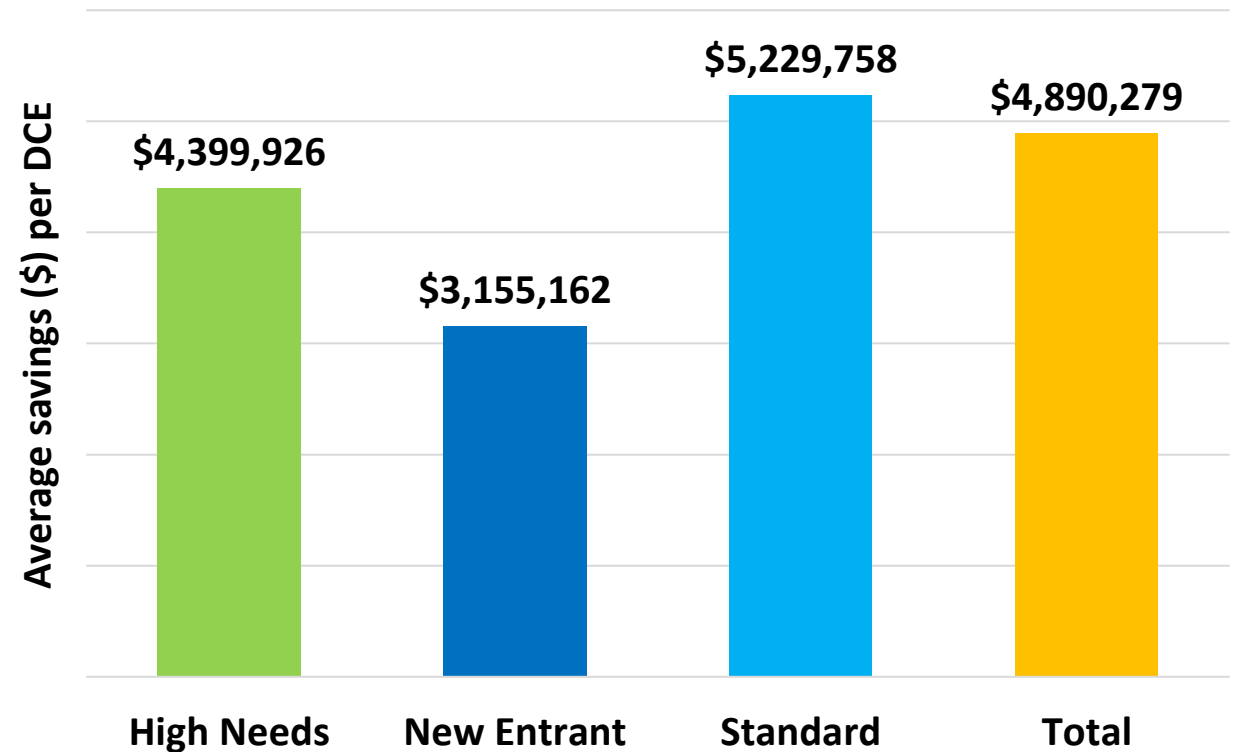
Source: CMS's May 31, 2019 ACO Spotlight [newsletter](#).

Innovation Center's ACO programs bank another record-setting year: Global and Professional Direct Contracting Model

In 2022, the Global and Professional Direct Contracting Model (now the ACO REACH Model) saved \$870 million compared to CMS-generated benchmarks and \$484 million after accounting for shared savings, shared losses, and discounts paid to CMS.

- 98 direct contracting entities (DCEs) had quality scores over 90 percent.
- The program created nearly 3 percent savings, which is in line with other Medicare ACO models.
- On average, each DCE generated nearly \$4.9 million in net savings to Medicare.

Average net savings generated to Medicare per Direct Contracting Entity in 2022, by type



Quality continues to improve



All MSSP ACOs met quality standards required to share in savings for the 2022 performance year.

ACOs had higher average performance on quality measures compared to clinicians not in ACOs, including better performance on:

- ✓ Diabetes and blood pressure control,
- ✓ Breast and colon cancer screenings,
- ✓ Tobacco screenings and smoking cessation
- ✓ Depression screening and follow up, and other measures.



40 MSSP ACOs recorded quality scores above 90!

“The higher quality performance by ACOs underscores how this type of coordinated, whole-person care can improve treatment of behavioral health conditions, helping to achieve the goals of the CMS’ Behavioral Health Strategy and improve cancer screening rates and prevention in line with the goals of the Cancer Moonshot.”
– CMS press release, August 2023

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:

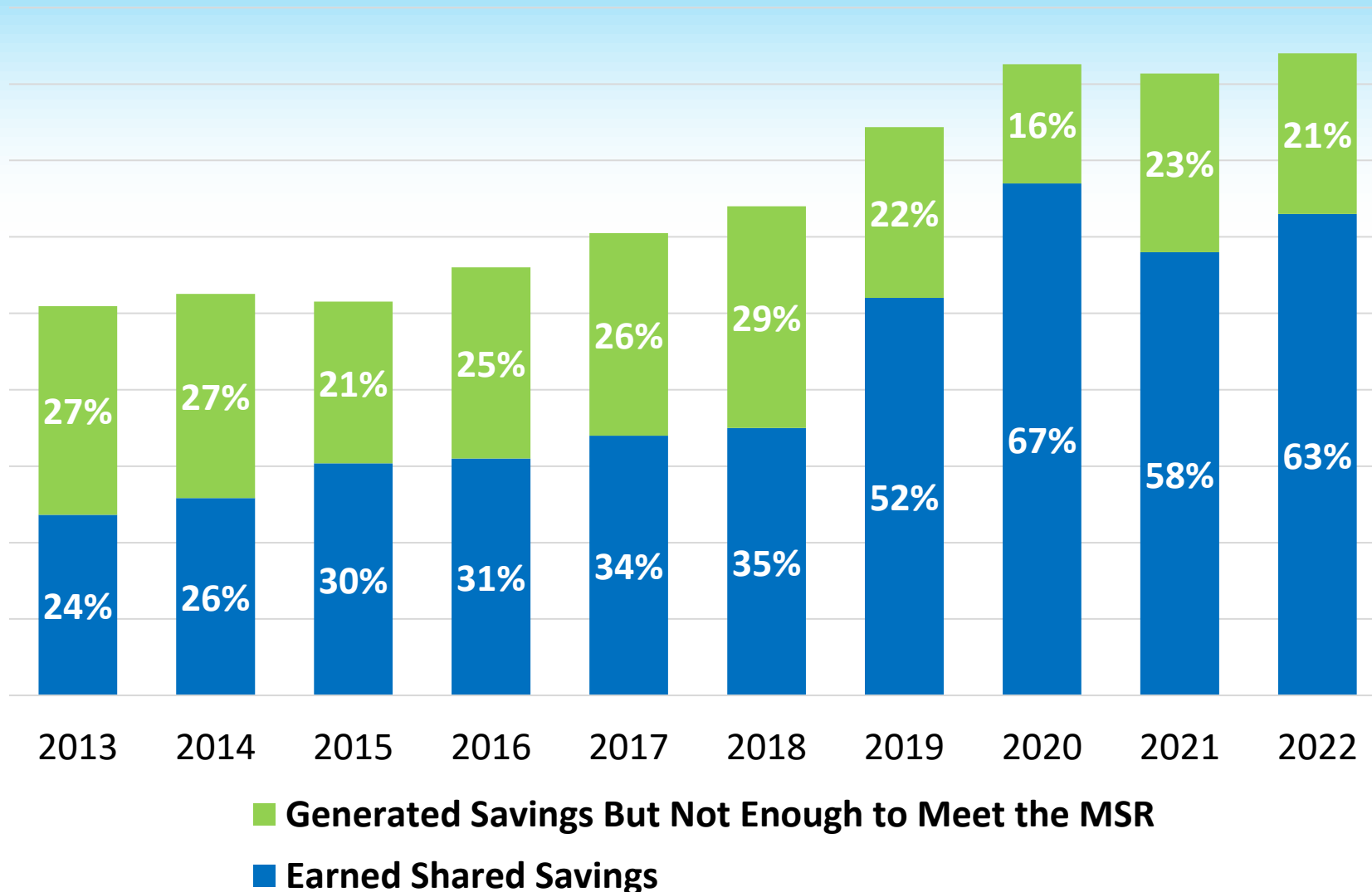
- ACOs in both shared savings-only and two-sided risk tracks create hundreds of dollars per person in gross and net savings.
- ACOs categorized by CMS as “high revenue” and “low revenue” create hundreds of dollars per person in gross and net savings.

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

	2019		2020		2021		2022	
	Two-Sided	One-Sided	Two-Sided	One-Sided	Two-Sided	One-Sided	Two-Sided	One-Sided
# of ACOs	191	391	227	323	283	280	383	198
# of Patients	4,648,111	7,690,047	5,318,764	6,377,058	5,825,206	5,687,971	8,495,354	3,751,970
Gross Savings	\$1.8 billion	\$1.4 billion	\$2.9 billion	\$1.9 billion	\$2.5 billion	\$1.5 billion	\$4.2 billion	\$1.0 billion
Gross Savings Per Patient	\$378.77	\$182.67	\$545.87	\$294.61	\$426.93	\$267.06	\$493.95	\$267.15

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

Percent of MSSP ACOs that generated savings and earned shared savings



- 84 percent of ACOs saved Medicare money in 2022, a new program high.
- 63 percent saved enough to earn shared savings.

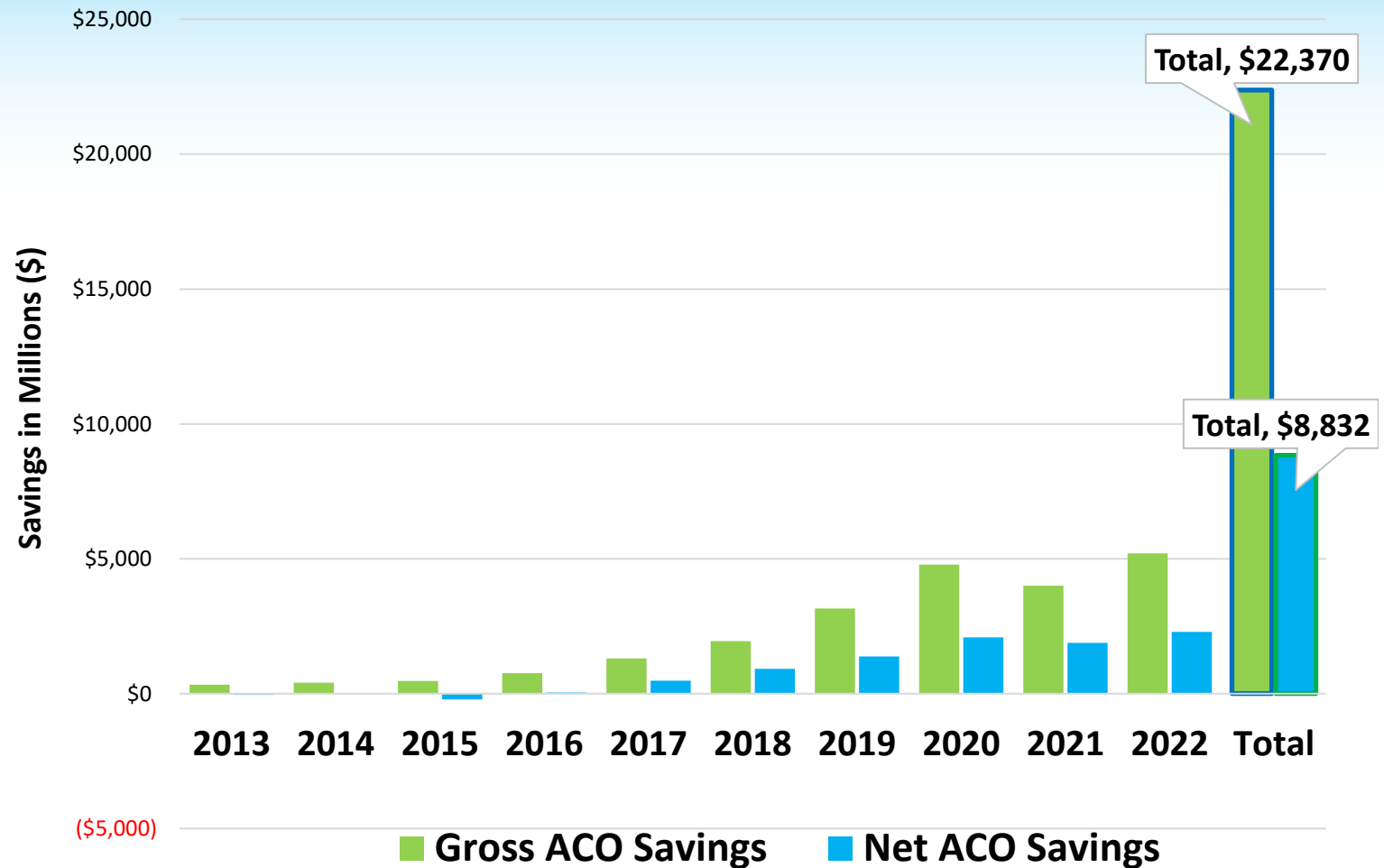
To achieve shared savings an ACO has to keep spending below its benchmark by a certain threshold. That threshold is known as the minimum savings rate (MSR).

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 2022 from all of Medicare’s ACO programs, ACOs have saved Medicare nearly \$22.4 billion in gross savings and over \$8.8 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, 2013-2022

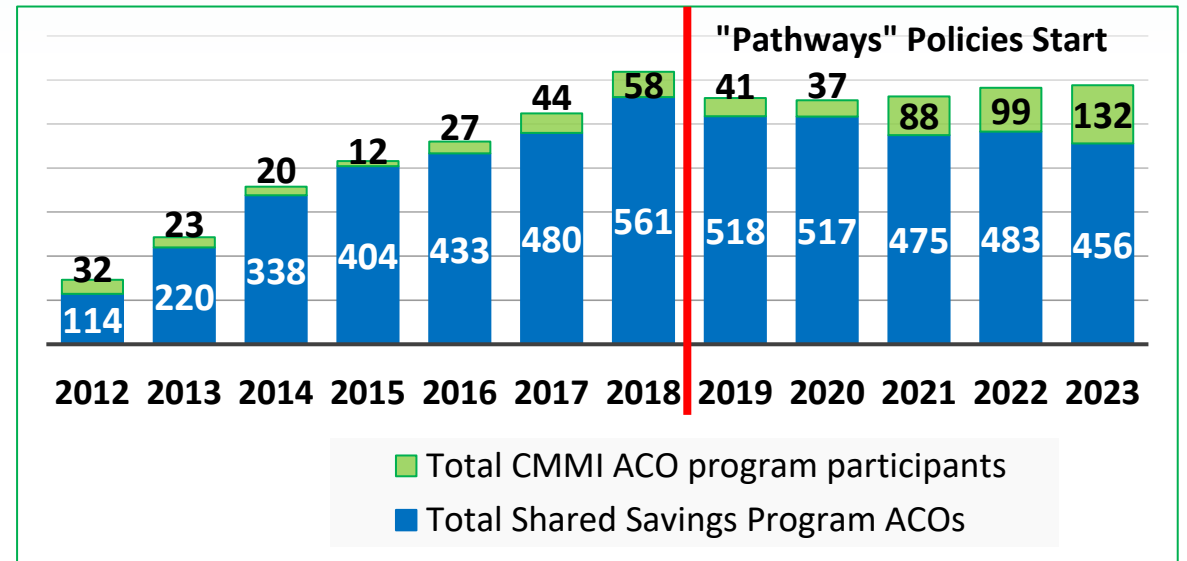
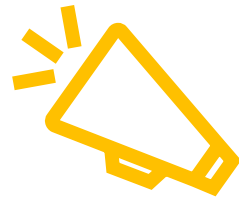


Totals include savings from MSSP, [Next Gen ACOs](#), and [Global and Professional Direct Contracting](#) model participants.

Conclusion

ACOs continue to deliver high quality care for patients while generating sustained savings to Medicare. This success continued in the face of a pandemic. There is a growing body of evidence that making providers accountable for patients' total cost of care provides necessary incentives to reduce spending and improve outcomes. Despite this evidence, the number of ACOs has plateaued in recent years.

NAACOS was supportive of changes included in the [2023](#) and [2024](#) Medicare Physician Fee Schedule rules and believes that will help rekindle ACO participation.



Policymakers should look for opportunities to grow ACO participation so that benefits of the program can spread to more patients, while helping solve Medicare's looming insolvency issues. NAACOS [advocates for policies](#) that support broad participation in ACO programs and ensure long-term success in value-based care initiatives. Learn more about [NAACOS' advocacy](#) efforts.