

CMS Releases MSSP and Pioneer ACO Data on Shared Savings and Losses – Where Do We Go From Here?

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On September 16, 2014, the [Centers for Medicare & Medicaid Services \(CMS\)](#) **announced** key shared savings and losses results of Accountable Care Organizations (ACOs) that began participating in the **Medicare Shared Savings Program (MSSP)** or the Pioneer ACO Program (PACO) in 2012 and 2013. Thus far, of the ACOs still participating in the MSSP or PACO at the time the data was collected:

- Fifty-three out of the 204 ACOs generated shared savings totaling more than \$300 million during their first performance year;
- Nine out of the 34 ACOs participating in the Advanced Payment model option of the MSSP generated gross shared savings of \$58.53 million, but over a third (34.5%) of that gross amount was generated by one ACO;
- One ACO participating in the risk-sharing/shared-losses option (Track 2) of the MSSP generated losses of \$9.97 million and will have to repay \$3.96 million to CMS;
- Two ACOs participating in Track 2 of the MSSP generated gross shared savings and will receive performance payments from CMS of nearly \$17 million; and
- During the second year of the PACO, 11 out of the 23 Pioneer ACOs earned \$68 million in financial bonuses.

CMS provided a [table](#) with details about the gains and losses generated by the ACOs that will be updated as new information becomes available.

All of the ACOs that received performance payments under the MSSP successfully reported on the [33 required quality measures](#) stated in the [MSSP Final Rule](#) from November 2011. It may become more difficult for ACOs in future cycles of the MSSP to earn the performance payments if CMS adopts its [proposal](#) to drop some of the measures in lieu of new ones. This would result in ACOs having to report on 37 rather than 33 quality measures, but also having to adjust to the shift caused by the loss of some of the currently existing measures that many participants met successfully.

Of greatest concern to current ACO participants is whether CMS will offer flexibility around two-sided risk sharing. Although stakeholders had expected new rules to be released this summer that would have modified the MSSP, policy disagreements among policymakers have delayed new guidance on whether ACOs will be able to continue in a one-sided risk arrangement in their second contract term (starting after 2015). Further, stakeholders continue to be concerned about burdensome startup costs, high turnover among attributed beneficiaries, and timeliness of receipt of accurate data.

Other experts such as the [Medicare Payment Advisory Commission \(MedPAC\)](#), the independent Congressional advisory body for Medicare policy, have urged CMS to adopt prospective attribution of beneficiaries and use prospective benchmarks. Further, [in a letter written this summer](#), MedPAC recommended that CMS consider regulatory relief for ACOs who accept two-sided risk, for example, by waiving the three-day stay rule for SNF admissions and exempting them from recovery audit contractor (RAC) audits.

Finally, [as we noted in December 2013](#), CMS published a RFI seeking input from stakeholders on the next iteration of Pioneer ACOs, to address topics including possibly modifying the application process to include drugs in total cost calculations for purposes of establishing shared savings benchmarks. Members of Congress have been similarly focused on improvements to the ACO program and other related health care delivery reform proposals, thus putting the onus on CMS to adopt at least some changes in the coming months to ensure a sustained trajectory of delivery system reform.

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