

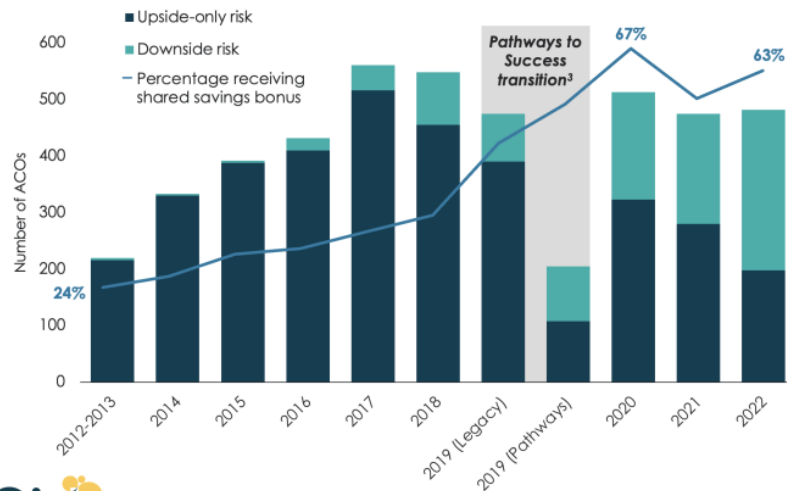
Taking stock of a decade of Medicare ACOs

In this week's graphic, we showcase recent data from [Health Affairs](#) highlighting the progress made by the Centers for Medicare and Medicaid Services' (CMS) flagship value-based payment initiative, the Medicare Shared Savings Program (MSSP). Ten years into the program, **a majority of MSSP accountable care organizations (ACOs) have now adopted downside risk**, after a slow start that was accelerated by CMS's 2018 [Pathways to Success](#) program update. **With more ACOs in downside risk, over 60 percent of program participants received shared savings bonuses in 2022**, as MSSP ACOs with two-sided risk are twice as likely as ones with upside-only risk to receive a bonus. **Beyond taking downside risk, the highest-performing ACOs in the program have been smaller, physician-only ACOs with relatively more primary care doctors and fewer specialists.** While the MSSP program has seen improved growth and savings coming out of the pandemic, the **\$1.8B** in Medicare savings that it generated in 2022 represents only **0.2 percent** of total Medicare spending last year.

Majority of MSSP¹ ACOs² Have Now Adopted Two-Sided Risk

Physician-Only ACOs with Fewer Specialists Generating Highest Savings

ACO Participation in MSSP Over Time, by Risk Type and Savings Generated



Characteristics of Highest-Performing ACOs

Downside Risk
 Nearly twice as likely to generate savings vs upside-only ACOs

Physician-Only
 Almost double the savings per patient vs ACOs with hospitals

Fewer Specialists
 48 percent more likely to receive bonus vs specialist-heavy ACOs⁴



1. Medicare Shared Savings Program.
 2. Accountable care organizations.
 3. 2018 MSSP rule changes intended to hasten transition to risk, not fully integrated until 2020 due to existing contracts.
 4. Comparing 20-40% specialist share to 70%+ share, for ACOs with hospitals.

Source: Wang, S. et. al., "Medicare Accountable Care Organizations in 2022: Renewed Growth And Improved", Health Affairs, 19 Oct. 2023; GSI Healthcare analysis.