

# The Journey to Risk



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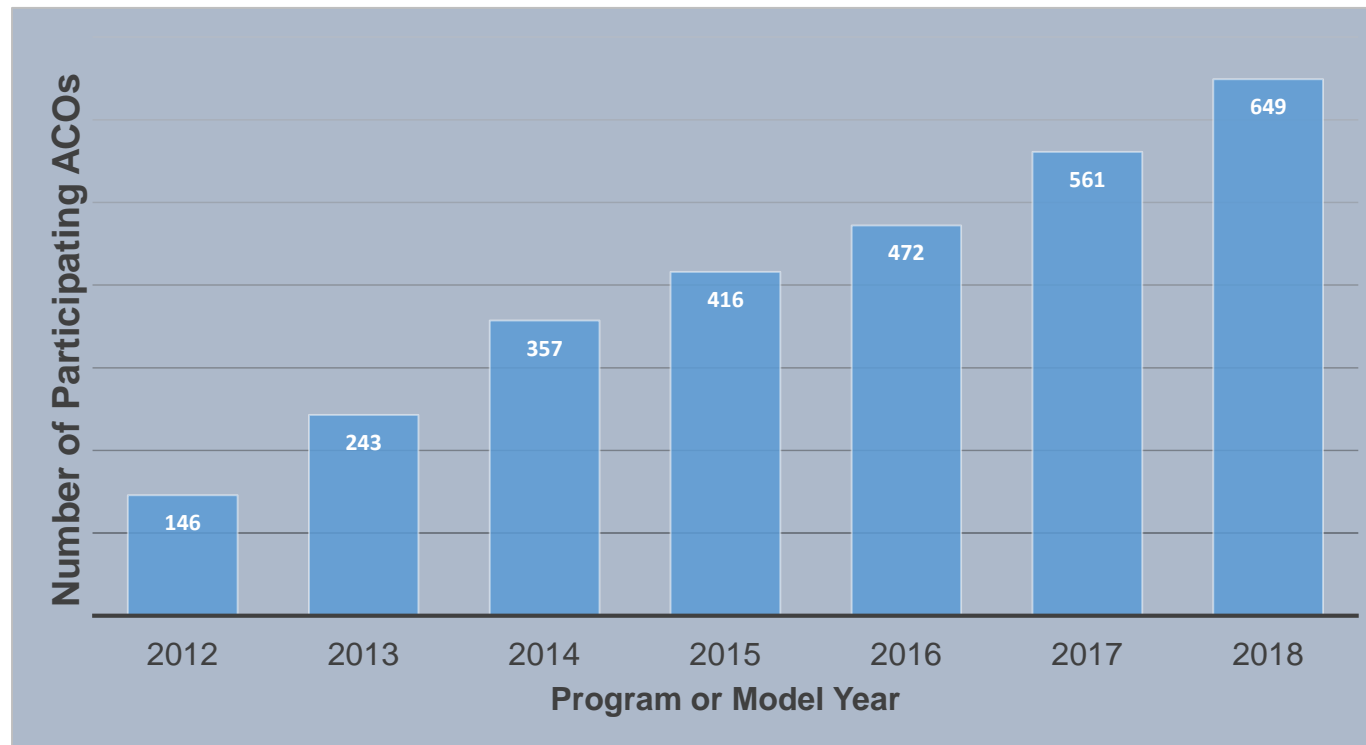
Oops!



Capital Hilton

# Growth in CMS ACOs

- To date, one national ACO program and three ACO models have been implemented—growing participation to 649 participating ACOs.



# CMS ACOs – 2018 Participation Summary

Initiative Name	Total Number of ACOs	Number of Risk-Bearing ACOs	Number of Participating Physicians and Non-Physician Primary Care Practitioners	Number of Assigned Beneficiaries
Shared Savings Program	561	101	377,515	10.5 Million
NGACO Model	51	51	61,936	1.8 Million
CEC Model	37	34	2,004	60,240
Totals	649	186	441,455	12.4 Million

186 of these ACOs are risk-bearing.

# Next Generation ACO: Results to Date

## Performance Year 1 (2016)

- **Actuarial** results based on 18 ACOs
  - 11 ACOs earned shared savings, while 7 ACOs incurred shared losses.
  - Net savings to the Medicare Trust Funds was more than \$63 million for PY1.
- **Evaluation** results based on 18 ACOS
  - Consistent with actuarial results with \$62 million in net savings or a 1.1% reduction in Medicare spending.
  - Savings appear to be related to reduced hospitalizations and post-acute care.

## Performance Year 2 (2017)

- **Actuarial** results based on 44 ACOs
  - In aggregate, NGACOs' costs were approximately 1.47% below benchmark expenditures
  - Net savings to the Medicare Trust Funds were more than \$164 million
  - Year 2 cohort (16 ACOs) improved from 1.18% of benchmark in 2016 to 2.25% in 2017
- **Quality** results for the Year 2 cohort
  - Average score was 94.37% and scores improved on 15 out of 27 measures
- **Evaluation** results not yet available

# High Level Themes

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- Recognize variability with regards to experience/readiness for risk
- Consider flexible cash flow options
- Inform beneficiaries about the model, including quality and performance information, as well as benefits
- Ensure both beneficiaries and providers are protected
- Consider APG's "Third Option"

# TSA Framework

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- **Transparency**--Empower consumers through choice
- **Simplicity**—Reduce complexity, focus on things that matter
- **Accountability**--Encourage risk as tools to align incentives

# Medicare Spending (courtesy of KFF)

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- **Medicare spending was 15 percent of total federal spending in 2017, and is projected to rise to 18 percent by 2028.**
- **Based on the latest projections in the 2018 Medicare Trustees report, the Medicare Hospital Insurance (Part A) trust fund is projected to be depleted in 2026, three years earlier than the 2017 projection.**
- **In 2017, Medicare benefit payments totaled \$702 billion, up from \$425 billion in 2007.**
- **Medicare per capita spending is projected to grow at an average annual rate of 4.6 percent over the next 10 years, due to growing Medicare enrollment, increased use of services and intensity of care, and rising health care prices**



Best of luck on your journey!



Tell us how we can clear the path for a smoother trip.