



# New York Medicare ACO Performance: Cost and Quality Results Raise Bigger Questions

December 2017

**GREGORY BURKE**

Director, Innovation Strategies,  
United Hospital Fund

**ROOPA MAHADEVAN**

Program and Policy Manager,  
United Hospital Fund

United Hospital Fund is an independent, nonprofit organization working to build a more effective health care system for every New Yorker.

**Anthony Shih, MD, MPH**  
President

**Deborah Halper**  
Vice President, Education and Program Initiatives

**Chad Shearer**  
Vice President for Policy;  
Director, Medicaid Institute

United Hospital Fund  
1411 Broadway, 12th Floor  
New York, NY 10018  
(212) 494-0700  
www.uhfnyc.org

This report was supported in part by The Peter and Carmen Lucia Buck Foundation. The Innovation Strategies Initiative is supported by the TD Charitable Foundation.

The Centers for Medicare & Medicaid Services (CMS) recently released its 2016 annual report<sup>1</sup> on the performance of accountable care organizations (ACOs) participating in its Medicare Shared Savings Program (MSSP). This HealthWatch focuses on the financial performance of participating ACOs based in New York State in 2016, and looks at quality performance as compared to similar programs in the rest of the nation. Though New York’s MSSP ACOs are providing high-quality care—at or above the level of other ACOs across the nation—they still struggle to generate savings against their benchmark expenditure targets. As national and state policymakers focus increasingly on value-based payment, the uneven performance of the organizations in the MSSP warrants caution about whether similar shared savings/shared risk programs will produce significant savings in the near term.

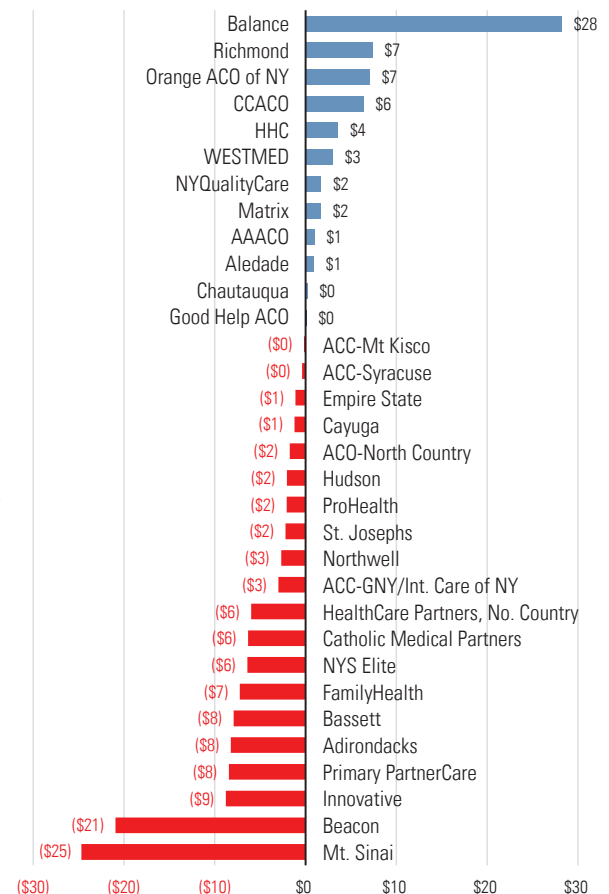
**MSSP Financial Results.** The Medicare Shared Savings Program is now five years old. By far the largest of Medicare’s ACO programs, the MSSP has continued to grow nationally since its inception in April 2012. In New York State, the number of participating provider organizations has grown from an initial cohort of 5 ACOs to 36 in 2017.<sup>2</sup>

Medicare sponsors a variety of different ACO programs, including four distinct tracks within the MSSP,<sup>3</sup> as well as the Pioneer ACO Model and the Next Generation ACO Model.<sup>4</sup> These programs offer participating provider groups increasing shares of any savings they generate against a defined benchmark, in return for which they assume increasing levels of downside risk, under which they are required to repay a portion of any expenses in excess of their benchmark. Most MSSP participants nationally (and all

but one in New York<sup>5</sup>) are in MSSP’s “Track 1” model, which entails shared savings only, with no downside risk.

In 2016, 32 MSSP ACOs in New York State (those entering the program between April 2012 and January 2016) were eligible to be included in CMS’s 2016 performance report.<sup>6</sup> As shown in Figure 1, their financial performance (expenses for their attributed populations against benchmark) was mixed. Roughly one-third (12 of 32) of the state’s MSSP ACOs generated savings against benchmark, while two-thirds (20 of 32) had

**Figure 1. Medicare Shared Savings Plan ACOs in New York State, 2016: Savings/Losses Against Benchmark (\$M)**



expenses that exceeded their benchmarks. With the exception of a few outliers (Balance ACO, Beacon, and Mt. Sinai), most generated savings or losses within \$10 million of their benchmarks.

In the MSSP, providers are able to share in the savings they generate, based on their expenditures for their attributed patient populations compared to an ACO-specific benchmark, as long as their score on the program's quality measures (see below) meets or exceeds national standards and their savings exceed a defined Minimum Savings Rate (MSR). If the savings exceed the MSR, then the ACO receives a share of the savings (varying with their performance on the MSSP's Quality measures) of roughly half of their aggregate savings.

Overall, New York's ACOs generated a loss of \$60 million against their benchmarks in 2016, a net loss of 1% of the total target benchmark spending of \$6 billion in caring for a population of over 575,000 Medicare beneficiaries. (This 2016 performance is similar to that of 2015, when 29 MSSP ACOs generated a net loss of \$64 million in caring for 525,000 Medicare beneficiaries.)

Detailed financial results are in Figure 2. In their financial performance, ACOs fell into three different groups:

- Five ACOs generated sufficient savings to qualify for a share of the savings they generated, yielding a net savings of \$52 million, 11% of their target benchmark. Within that group, one ACO (Balance) generated over half of the total savings, and nearly half of the shared savings.
- Seven ACOs generated savings against their benchmark (a total of \$8.6 million), but not enough to exceed their MSRs and receive any portion of the shared savings.
- The remaining 20 ACOs generated a net loss of over \$120 million, with expenses roughly 3% higher than their target benchmark. Two ACOs (Beacon and Mt. Sinai) accounted for \$45 million of that total. The one ACO that was participating in a shared-risk model (Catholic Medical Partners) had expenses \$6 million higher than its benchmark and will need to repay CMS roughly \$2.5 million.

Further analysis is needed to better understand what distinguishes the more successful ACOs from those still struggling to generate savings.



**Figure 2. Savings and Losses by New York State ACOs in the Medicare Shared Savings Program (Detail)**

ACO Name	Start Date	Assigned Beneficiaries	Benchmark Spend	Actual Spend	Savings/Loss vs. Benchmark	Shared Savings (Losses)	Savings as % of Benchmark
1 Balance ACO	7/1/12	6,051	\$119,762,995	\$91,531,752	\$28,231,243	\$11,976,300	23.6%
2 Richmond Quality, LLC	1/1/15	6,543	\$73,459,544	\$66,070,074	\$7,389,470	\$3,473,744	10.1%
3 Orange Accountable Care of New York	1/1/15	8,165	\$105,483,084	\$98,408,718	\$7,074,366	\$3,242,894	6.7%
4 Chinese Community ACO	4/1/12	9,896	\$91,862,414	\$85,471,266	\$6,391,148	\$2,797,831	7.0%
5 HHC ACO Inc	1/1/13	10,042	\$85,426,675	\$81,834,510	\$3,592,166	\$1,586,859	4.2%
<i>Subtotal: ACOs Receiving Shared Savings</i>		<i>40,697</i>	<i>\$475,994,712</i>	<i>\$423,316,320</i>	<i>\$52,678,393</i>	<i>\$23,077,628</i>	<i>11.1%</i>
6 WESTMED Medical Group	7/1/12	12,967	\$127,419,819	\$124,405,157	\$3,014,662	\$0	2.4%
7 NewYork Quality Care	1/1/15	31,008	\$375,268,362	\$373,548,567	\$1,719,794	\$0	0.5%
8 Matrix ACO LLC	1/1/16	5,547	\$70,764,228	\$69,085,256	\$1,678,972	\$0	2.4%
9 Asian American Accountable Care Organization	7/1/12	11,547	\$103,903,899	\$102,916,678	\$987,221	\$0	1.0%
10 Aledade Primary Care ACO LLC	1/1/15	14,595	\$136,467,887	\$135,547,751	\$920,136	\$0	0.7%
11 Chautauqua Region Associated Medical Partners, LLC	7/1/12	6,721	\$60,492,360	\$60,281,160	\$211,199	\$0	0.3%
12 Good Help ACO	1/1/13	74,386	\$694,209,251	\$694,109,458	\$99,792	\$0	0.0%
<i>Subtotal: ACOs Generating Savings &lt; Min. Savings Rate</i>		<i>156,771</i>	<i>\$1,568,525,806</i>	<i>\$1,559,894,027</i>	<i>\$8,631,776</i>	<i>\$0</i>	<i>0.6%</i>
13 Accountable Care Coalition of Mount Kisco, LLC	4/1/12	23,962	\$216,584,282	\$216,767,340	(\$183,058)	\$0	-0.1%
14 Accountable Care Coalition of Syracuse, LLC	7/1/12	17,956	\$142,241,741	\$142,637,327	(\$395,586)	\$0	-0.3%
15 Empire State Health Partners, LLC	1/1/16	7,167	\$77,408,726	\$78,521,607	(\$1,112,881)	\$0	-1.4%
16 Cayuga Area Preferred, Inc.	1/1/16	6,784	\$49,066,101	\$50,286,682	(\$1,220,580)	\$0	-2.5%
17 Accountable Care Organization of the North Country, LLC	4/1/12	9,778	\$84,083,672	\$85,825,057	(\$1,741,386)	\$0	-2.1%
18 Hudson Accountable Care, LLC	1/1/16	11,891	\$112,841,481	\$114,885,409	(\$2,043,928)	\$0	-1.8%
19 ProHEALTH Accountable Care Medical Group, PLLC	7/1/12	32,683	\$309,021,566	\$311,107,881	(\$2,086,315)	\$0	-0.7%
20 St. Josephs Health Accountable Care Organization LLC	1/1/16	14,531	\$123,618,338	\$125,819,749	(\$2,201,411)	\$0	-1.8%
21 Northwell Health ACO	1/1/16	40,560	\$495,901,332	\$498,595,662	(\$2,694,330)	\$0	-0.5%
22 Adirondacks ACO, LLC	1/1/14	27,149	\$251,879,111	\$260,106,370	(\$8,227,259)	\$0	-3.3%
23 Healthcare Partners of the North Country, LLC	1/1/15	9,176	\$84,458,247	\$90,444,325	(\$5,986,078)	\$0	-7.1%
24 Catholic Medical Partners-Accountable Care IPA, Inc.	4/1/12	21,136	\$192,077,909	\$198,408,192	(\$6,330,283)	(\$2,532,113)	-3.3%
25 New York State Elite (NYSE) ACO Inc.	1/1/14	6,710	\$140,981,277	\$147,387,241	(\$6,405,964)	\$0	-4.5%
26 FamilyHealth ACO, LLC	1/1/14	7,881	\$80,771,488	\$88,006,156	(\$7,234,668)	\$0	-9.0%
27 Bassett Accountable Care Partners, LLC	1/1/15	14,056	\$136,200,837	\$144,115,028	(\$7,914,192)	\$0	-5.8%
28 Alliance for Integrated Care of New York, LLC	1/1/14	6,775	\$57,707,024	\$60,702,870	(\$2,995,846)	\$0	-5.2%
29 Primary PartnerCare ACO Independent Practice Association, Inc.	1/1/14	19,057	\$219,781,843	\$228,237,224	(\$8,455,381)	\$0	-3.8%
30 Innovative Health Alliance of New York, LLC	1/1/15	24,045	\$219,220,927	\$228,017,339	(\$8,796,411)	\$0	-4.0%
31 Beacon Health Partners, LLP	7/1/12	35,891	\$451,892,091	\$472,828,968	(\$20,936,877)	\$0	-4.6%
32 Mount Sinai Care, LLC	7/1/12	42,218	\$461,461,185	\$486,171,043	(\$24,709,858)	\$0	-5.4%
<i>Subtotal: ACOs Not Generating Savings vs. Benchmark</i>		<i>379,406</i>	<i>\$3,907,199,178</i>	<i>\$4,028,871,470</i>	<i>(\$121,672,292)</i>	<i>(\$2,532,113)</i>	<i>-3.1%</i>
<b>Total for New York State</b>		<b>576,874</b>	<b>\$5,951,719,696</b>	<b>\$6,012,081,817</b>	<b>(\$60,362,123)</b>	<b>\$20,545,515</b>	<b>-1.01%</b>

Source: [data.cms.gov/Special-Programs-Initiatives-Medicare-Shared-Savin/2016-Shared-Savings-Program-SSP-Accountable-Care-0/3jk5-q6dr/data](https://data.cms.gov/Special-Programs-Initiatives-Medicare-Shared-Savin/2016-Shared-Savings-Program-SSP-Accountable-Care-0/3jk5-q6dr/data)



**Figure 3. Quality Performance of NYS MSSP ACOs vs. National Average for MSSP ACOs**

Measure		NY Avg.	US Avg.	NY vs. US Average
CAHPS	Timely Care, Appointments, and Information	78.9	79.7	-0.8%
	How Well Your Providers Communicate	92.5	92.4	0.1%
	Patients' Rating of Provider	91.7	91.7	0.0%
	Access to Specialists	82.7	83.3	-0.7%
	Health Promotion and Education	60.3	59.9	0.4%
	Shared Decision-Making	74.8	75.1	-0.3%
	Health Status/Functional Status	71.7	71.7	0.0%
	Stewardship of Patient Resources	21.7	27.5	-5.8%
Care Coordination/Patient Safety	Risk-Standardized, All-Condition Readmission	15.2	14.7	-0.5%
	SNF 30-Day All-Cause Readmission	18.2	18.2	0.0%
	All-Cause Unplanned Readmission for Diabetics	53.2	53.2	0.0%
	All-Cause Unplanned Admissions for Heart Failure	75.3	75.2	-0.1%
	All-Cause Unplanned Admissions for Multiple Chronic Cond.	59.1	59.8	0.7%
	ACS Admissions: COPD/Asthma in Older Adults	9.4	9.3	-0.1%
	ACS Admissions: Heart Failure	14.8	14.5	-0.2%
	PCPs Who Meet Meaningful Use Requirements	85.7	82.7	2.9%
	Documentation of Current Meds in Medical Record	84.5	86.7	-2.2%
	Falls: Screening for Future Falls Risk	63.2	63.4	-0.2%
Preventive Health	Influenza Immunization	71.0	67.7	3.3%
	Pneumonia Vaccination Status for Older Adults	68.4	68.6	-0.2%
	BMI Screening and Follow-Up	74.0	73.8	0.3%
	Tobacco Use Screening and Cessation Intervention	92.6	90.1	2.4%
	Screening for Clinical Depression and Follow-Up	53.3	53.1	0.2%
	Colorectal Cancer Screening	60.8	61.0	-0.1%
	Breast Cancer Screening	67.4	67.0	0.4%
	Screening for High Blood Pressure and Follow-Up	76.8	76.3	0.5%
	Statins for Prevention/Treatment of Cardiovascular Disease	78.8	77.0	1.8%
	Depression Remission at 12 Months	7.1	5.8	1.3%
	Diabetes Composite (Poor Control and Eye Exam)	45.1	38.9	6.2%
	Diabetes HbA1C Poor Control	18.7	18.1	-0.6%
	Diabetes Eye Exam	51.8	44.5	7.3%
	Controlling High Blood Pressure	71.8	70.0	1.8%
	Use of Aspirin/Anti-Thrombotic for IVD	81.6	84.3	-2.7%
	Beta Blocker Therapy for LVSD	86.6	87.9	-1.2%
ACE Inhibitor or ARB for Treatment of CAD/Diabetes/LVSD	78.1	78.9	-0.8%	

**MSSP Quality Results.** As noted above, MSSP ACOs must report their performance on a series of 34 quality measures, organized into three broad domains. Performance data are available for each ACO, nationally, which enabled us to compare the aggregate performance of New York’s MSSP ACOs to that of all organizations participating in the MSSP across the nation.

As is shown in Figure 3, the average performance of New York’s ACOs on most measures of quality and patient experience was quite similar to the national average. They performed somewhat better than the national average on most measures of prevention, including the management of diabetes, hypertension, and cardiovascular disease, as well as immunizations and tobacco screening and intervention. The measure on which New York lagged furthest behind the national average (“stewardship of patient resources”) focuses on how well providers explain the relative costs of drugs.

**ENDNOTES**

1. [data.cms.gov/Special-Programs-Initiatives-Medicare-Shared-Savin/2016-Shared-Savings-Program-SSP-Accountable-Care-0/3jk5-q6dr/data](https://data.cms.gov/Special-Programs-Initiatives-Medicare-Shared-Savin/2016-Shared-Savings-Program-SSP-Accountable-Care-0/3jk5-q6dr/data), issued on October 27, 2017.
2. Three MSSP participants (Crystal Run, HealthCare Partners IPA, and Rochester Regional ACOs) left the program in 2016; Crystal Run and Rochester Regional rejoined the MSSP in 2017.
3. MSSP has four tracks: Track 1 (shared savings only) and a series of models (Track 1+, Track 2, and Track 3) under which providers assume increasing levels of risk for losses—expenses they generate beyond their benchmark.
4. In New York, only Montefiore participated in these two advanced “two-sided” risk models. It was in the Pioneer ACO program from its inception until December 31, 2016. It is now in the Next Generation ACO Model.
5. After three years in the MSSP’s Track 1, Catholic Medical Partners joined the Track 3 program in 2016.
6. Only ACOs that have participated in the MSSP for a year or more are included in CMS’s ACO performance reports. Of the 36 MSSP ACOs in NY, 32 were in the program during CY 2016; the remainder were new ACOs in 2017.