

# MEDICARE ACO PERFORMANCE

RISK, ENROLLMENT SIZE, COST, & SAVINGS FOR 392 ACOS

## RISK ADJUSTING IN ACOS

In 2014, a Center for Public Integrity investigative report found that some Medicare Advantage plans had dramatically increased their risk adjustment scores through overbilling. Throughout 2015, several whistleblower lawsuits and Inspector General reports have exposed several offenders who had been dramatically increasing coding to 'game' the MA risk adjustment system.

The same HCC algorithm used for the adjustment of MA plans also underpins CMS' largest program for Accountable Care Organizations, the Medicare Shared Savings Program (MSSP). Under the MSSP payment terms, the costs of a population are risk adjusted to determine if the ACO achieved savings compared to an established baseline.

In the graph below, we arranged each MSSP into a decile identifying the relative risk of their population as calculated by CMS using HCC. We then arranged each decile vertically based on the per-beneficiary cost relative to the mean (shown in the center). The highlighted ACOs all earned the highest per-beneficiary shared savings rate. Most are concentrated in the highest deciles of risk, with the highest visit volume, and the highest actual costs.

Updated with 2015 Performance Data

