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Findings at a Glance

ACO Investment Model (AIM)

Evaluation of First Performance Year

BACKGROUND

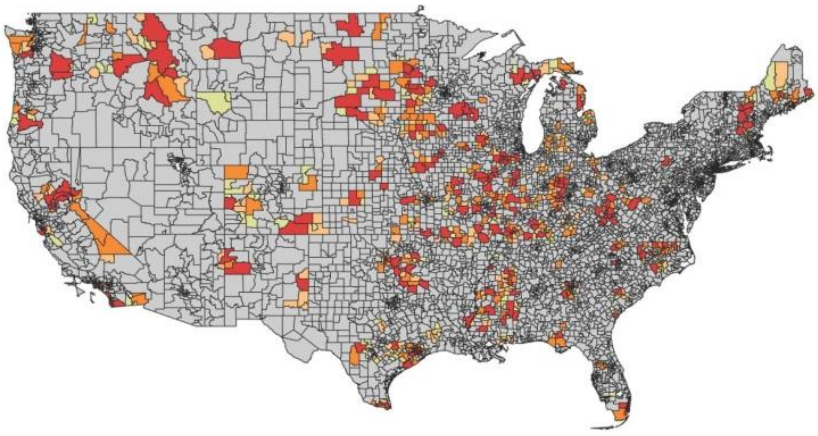
AIM is an Innovation Center model for organizations participating as Accountable Care Organizations (ACOs) in the Medicare Shared Savings Program.

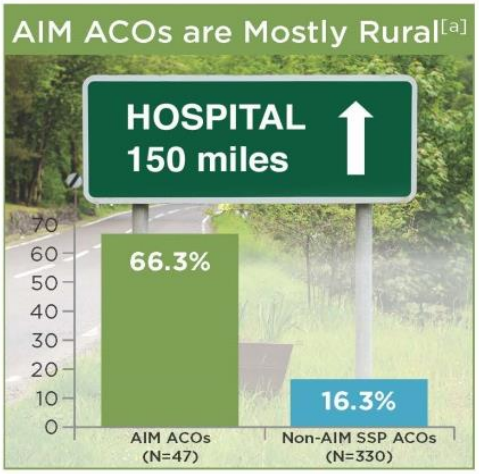
The goals of the model are to reduce expenditures and preserve or enhance the quality of care; to encourage new ACOs to form in rural or underserved areas (Test 1, 41 ACOs); and to stimulate smaller existing ACOs to transition to greater financial risk (Test 2, 6 ACOs).

AIM made up-front payments for 24 months to ACOs to use for investments in infrastructure and staffing, which are to be recouped from earned shared savings. The first performance year was 2015 for the first AIM ACO cohort and 2016 for the second AIM ACO cohort.

PARTICIPATION

47 AIM ACOs: 36 States, 420,000 Medicare Beneficiaries, 12,800 health care providers





AIM Test	AIM Funds
Test 1: 41 ACOs	$250,000 + $36 per beneficiary + $8 per beneficiary per month
Test 2: 6 ACOs[b]	$36 per beneficiary + $6 per beneficiary per month

Total AIM Funds Spent[c]
$58,340,797

Total ACO-Internal Funds Spent[c]
$104,316,688

Total Funds Spent by AIM ACOs[c]
$162,657,486

ACOs spent the most on:
- Care management
- Technology
- Administrative functions

Map shows the percent of eligible Medicare beneficiaries in a primary care service area who are assigned to an AIM ACO, with darker shades indicating larger percentages of beneficiaries.
[a] Based on percent of ACO-assigned beneficiaries living in areas with a Rural Urban Commuting Area (RUCA) Code of ≥ 4.
[b] Two of the six Test 2 ACOs exited at the end of 2015.
[c] Self-reported data based on expense reports submitted by AIM ACOs.

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KEY FINDINGS

COSTS

New ACOs in Rural and Underserved Areas (Test 1)

- $105.4 million in reduced total Medicare spending (-$22.70 per beneficiary per month) relative to similar traditional Medicare beneficiaries in the same geographic area in 2016.
- 30 (8 statistically significant) of the 41 ACOs had lower total Medicare spending.
- $82.8 million in net savings to the Medicare Program after subtracting earned shared savings (1.7 percent net savings to Medicare program).

Small, Existing ACOs (Test 2)

- Overall, no increases or decreases observed in total Medicare spending relative to what was achieved by similar non-AIM ACOs.

UTILIZATION AND QUALITY

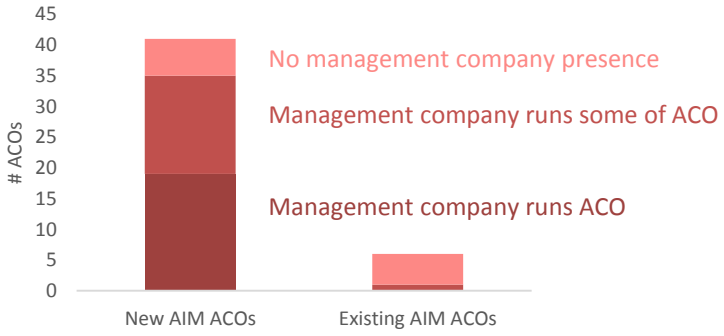
- Lower total spending in Test 1 ACOs was generally driven by relatively lower inpatient, hospital outpatient, and SNF utilization by ACOs.
- Increases in utilization were found for physician services, particularly in annual wellness visits and transitional care management services in Test 1 ACOs.
- Overall, the direction, magnitude, and significance of the impact estimates for Test 1 ACOs were consistent with AIM reducing spending and potentially improving care quality among assigned beneficiaries.

OTHER OBSERVATIONS

Too soon to know if most AIM ACOs will transition to greater financial risk

- 3 ACOS are assuming two-sided financial risk in 2018.
- 38 ACOs will be making the decision about assuming greater financial risk when their participation agreement is due for renewal for the 2019 performance year.

AIM ACOs substantially rely on management company support



KEY TAKEAWAY

In their first performance year, AIM ACOs seemed to show that ACOs under upside-only financial risk in rural areas can, with up-front funding and management company support, lower Medicare spending with no sign of decrements in quality of care.

This document summarizes the evaluation report prepared by an independent contractor. To learn more about the ACO Investment Model and to download the full evaluation report, visit: https://innovation.cms.gov/initiatives/ACO-Investment-Model/