ACO REACH Model
Performance Year 2024 Financial and Quality Performance Results Highlights

On July 9, 2026 the Centers for Medicare & Medicaid Services released participant-level financial and quality results for the ACO REACH Model for Performance Year 2024 (PY 2024). 115 REACH ACOs participated in the model in PY 2024, the fourth year of the model. The ACO REACH Model is a voluntary model that aims to improve quality of care and health outcomes for beneficiaries in Original Medicare through the alignment of financial incentives, emphasis on patient choice, strong monitoring to ensure that beneficiaries maintain access to care, and an emphasis on care delivery. The full quality and financial results for PY 2024 are available on the ACO REACH webpage.

The financial and quality results are calculated differently than in the model's formal evaluation. For this report, results are presented in comparison to prospective financial benchmarks set for model participants. This approach to setting financial benchmarks aims to create transparent and understandable incentives for participating REACH ACOs to improve quality of care and reduce spending. In contrast, the evaluation considers the model's spending and quality impact relative to a comparison group to evaluate performance compared to what would have occurred absent the model. Evaluation Report 3: Evaluation of the ACO REACH Model, covering evaluation results through PY 2023, and the Preview of Findings from the Evaluation of ACO REACH Model for PY 2024 of ACO REACH, covering preliminary evaluation results through PY 2024, are available on the ACO REACH webpage.

PY 2024 Quality Results Highlights

Beginning in PY 2023, REACH ACOs shifted from pay-for-reporting measures to pay-for-performance measures. Additionally, REACH ACOs could earn additional points towards their total quality score (TQS) by reporting beneficiary-reported demographic and social determinants of health data, demonstrating improvement in their quality scores from PY 2023 to PY 2024, or achieving high performance on all the applicable claims-based measures.

Each model track is evaluated on 3 claims-based measures: Risk-Standardized All-Condition Readmission (ACR) within 30 days of discharge, All-Cause Unplanned Admissions for Patients with Multiple Chronic Conditions (UAMCC), Timely Follow-Up (TFU) after hospitalization for Standard and New Entrants ACOs. High Needs ACOs are also evaluated on Days at Home (DAH) for adults with complex, chronic disease. ACOs that did not show improvement in their scores or continued strong performance could receive a downward adjustment to their TQS. The TQS is reported on a scale of 0 to 100%.

The average TQS in PY 2024 was **80.4% (vs 78.6% for PY 2023) across the 101 Standard and New Entrant ACOs**, and **86.2% (vs 86.7% for PY 2023) across the 14 High Needs Population ACOs**. ACOs have maintained high performance on quality measures across PYs.

- **In PY 2024, 21 out of 115 REACH ACOs earned a TQS of 100%.** Of these, 17 were Standard/New Entrant ACOs, and 4 were High Needs Population ACOs.
- **101 out of 115 REACH ACOs met the Continuous Improvement/Sustained Exceptional Improvement (CI/SEP) requirements.** The CI/SEP is an indicator of improved performance on claims-based quality measures compared to the prior year (PY 2023). Only REACH ACOs that participated in both PY 2023 and PY 2024 can earn the CI/SEP.

- **49 of 115 ACOs met the High Performers Pool (HPP) requirements** and received an additional financial benefit for their quality measure performance. PY 2023 was the first year of the HPP, which was intended to further incentivize high performance and continuous improvement on the Quality Measure set. REACH ACOs qualify for a bonus from the HPP if they meet the CI/SEP criteria and also demonstrate a high level of performance or meet improvement criteria across all applicable claims-based measures.
    - 40 of 101 Standard/New Entrant ACOs met the HPP criteria.
    - 9 of 14 High Needs Population ACOs met the HPP criteria.
    - Only REACH ACOs that participated in both PY 2023 and PY 2024 can be in the HPP.

<u>Comparing REACH ACO Quality Performance to PY 2023</u>

REACH ACOs have shown improvement in quality performance from PY 2023 to PY 2024. Additionally, a large majority of PY 2024 REACH ACOs have shown year-over-year continuous improvement or sustained exceptional performance, indicating a positive trend in the quality of care provided.

- REACH ACOs' average Total Quality Score increased from 79.42% in PY 2023 to 81.11% in PY 2024,
- A higher percentage of REACH ACOs met CI/SEP criteria in PY 2024 (87.83%) than in PY 2023 (55.30%).
- A higher percentage of REACH ACOs met HPP criteria in PY 2024 (42.61%) than in PY 2023 (18.18%).
- Mean TFU score performance improved from PY 2023 to PY 2024 by 5.7 percentage points.
- Mean ACR and UAMCC scores for High Needs ACOs decreased (improved) by 0.44 and 3.92 percentage points, respectively, from PY 2023 to PY 2024.
- Mean DAH scores improved by 3.58 percentage points in PY 2024 compared to PY 2023.

REACH ACOs' performance on each individual quality measure is compared to a group of non-ACO REACH provider groups included in the quality benchmarking population. All available Medicare fee-for-service data (including providers in the Shared Savings Program and others) are used to identify non-ACO REACH comparison provider groups. For High Needs Population ACOs, only those claims for beneficiaries who met the High Needs eligibility criteria are used for comparison.

PY 2024 Financial Results Highlights

In PY 2024, REACH ACOs generated approximately $2.511 billion in gross savings, representing approximately a 6.7% gross savings rate relative to the retrospective adjusted PY benchmarks. **Net savings to CMS were $988.3 million (2.6%),[1] and the net savings to ACOs were $1.522 billion (4.2%)[2] compared to model benchmarks.** This is an increase from the $694.6 million in net savings to CMS and the $948.2 million in net savings to ACOs in PY 2023.

- Among the 115 ACOs participating in the ACO REACH Model for PY 2024, **96 ACOs (83%)** earned **net savings** from financial settlement, while **19 ACOs (17%)** accrued **net losses**.
- **84% of ACOs in the Global risk option and 82% of ACOs in the Professional risk option earned shared savings.**

[1] CMS savings exclude the impact of the quality withhold and of sequestration. While the quality withhold decreases CMS payouts to ACOs, it is applied to the ACO benchmark rather than generating CMS savings relative to the benchmark. Net of High Performance Pool Payments, the quality withhold lowered CMS payouts by $56.7 million.

[2] Net Savings to ACOs represents CMS payouts to ACOs of Net Shared Savings.

- Savings increases from PY 2023 are due to **performance improvements by model participants** as they gained experience and growth in model participation.
  - **Between PY 2023 and PY 2024, per beneficiary per month gross savings** increased by 24% to **$88.04**
  - **115 ACOs** participated (from 132 ACOs in 2023) with **28.5 million beneficiary months**, approximately 2.5 million beneficiaries (from 23 million beneficiary months and approximately 2 million beneficiaries in PY 2023)
- Improved performance by ACOs that started in PY 2021 drove the increase in net savings. **The PY 2021 Cohort included 53% of total ACO savings**.
  - **PY 2021 cohort ACO net savings** for PY 2024 were $758.5 million (6.5% net savings rate)
  - **PY 2022 cohort ACO net savings** for PY 2024 were $403.7 million (2.8% net savings rate)
  - **PY 2023 cohort ACO net savings** for PY 2024 were $272.2 million (2.4% net savings rate)
- **95%** of PY 2024 CMS net savings were driven by the 3% discount applied to benchmarks of ACOs in the Global (100%) risk option – i.e., the majority of CMS' savings were earned by capturing the first 3% of all savings generated by ACOs in the Global risk option. Additionally, net of High Performance Pool Payouts, the quality withhold lowered CMS payouts by $56.7 million. **High Needs ACOs** (14.0% net savings rate) and **New Entrant** ACOs (8.6%) achieved higher performance compared to **Standard** ACOs (4.2%).

The financial and quality results compared to model benchmarks are calculated differently from the evaluation results. The two will contain different savings estimates for PY 2024, and the evaluation results are typically more conservative. The financial results above reflect performance against a forecast informed by a historically aligned population. In contrast, the evaluation measures what happened in the REACH ACO population relative to a similar comparison group local to a REACH ACO's own aligned population whose care was not subject to the model's incentives. **The Preview of Findings from the Evaluation for PY 2024 is available on the** ACO REACH Model **webpage.**

CMS is excited to continue learning about the care innovations employed by REACH ACOs to improve quality for their beneficiaries.