

MSSP Performance Results Indicate Another Successful Year

On August 24, 2023, the Centers for Medicare & Medicaid Services (CMS) released the financial and quality performance results for the Medicare Shared Savings Program (MSSP) Performance Year (PY) 2022.¹ The results revealed net savings of \$1.8 billion for Medicare, marking the sixth consecutive year of savings.² In total, 63% of MSSP accountable care organizations (ACOs) achieved savings as a result of their performance.³ This Health Capital Topics article will discuss the 2022 performance results.

ACOs that participate in the MSSP must enroll in a specific track (either the Basic Track or the Enhanced Track), with each track corresponding to a different level of risk.⁴ The Basic Track is divided into five track levels: A, B, C, D, and E.⁵ Track levels A and B are one-sided risk models, while the two-sided risk models begin with Level C and progressively increase in risk (as well as in potential shared savings) with each track level.⁶ Newly participating ACOs that enroll in the Basic Track can begin in any of the track levels, but will automatically progress to the next track level each year.⁷ The only exception to this is that newly participating, low-revenue ACOs⁸ are permitted to remain enrolled in Basic Track, Level B for an additional year, provided that they agree to skip to Basic Track, Level E in their fourth year of participation.⁹ As of January 2023, the MSSP includes over 573,000 clinicians providing care to over 11 million Medicare beneficiaries.¹⁰ It is CMS's goal for 100% of Traditional Medicare beneficiaries to be assigned to an ACO by 2030.¹¹

In 2022, approximately 63% of MSSP-participating ACOs earned shared savings for their performance. High-revenue ACOs, which had \$140 per capita in net savings, were outperformed by low-revenue ACOs, which had \$228 per capita in net savings.¹² Low-revenue ACOs, which are primarily comprised of physicians, may also include a small hospital and service rural areas.¹³ Low-revenue ACOs comprised of 75% primary care providers saw \$294 per capita in net savings, more than twice the net savings realized by high-revenue ACOs.¹⁴ These results demonstrate how crucial primary care is to the success of the MSSP, as well as how the program benefits primary care providers.¹⁵

Earlier this year, CMS proposed changes to the MSSP in the CY 2024 Medicare Physician Fee Schedule (MPFS) that would promote access to accountable care for beneficiaries that rely on nurse practitioners, clinical nurse specialists, and physician assistants for their primary care needs.¹⁶ Another proposal would change methodology for financial benchmarking and encourage ACOs that serve complex populations to participate in the MSSP.¹⁷ These proposed changes are expected to increase MSSP participation by approximately 10% to 20% in future years.¹⁸

Overall, the MSSP has produced the largest savings for CMS, and is the largest ACO model the agency operates. Since the 2012 debut of the MSSP, ACOs have consistently saved the agency money.¹⁹ While the program has resulted in large savings, some ACOs have experienced losses. Empire ACO of New York reported large losses of 15.3% (\$23.3 million) for their 6,600 members, while Physicians ACO of Florida reported the largest savings rate of 18.2% (\$13.5 million) for their 6,500 members.²⁰

In response to the PY 2022 results, CMS Administrator Chiquita Brooks-LaSure stated, "The MSSP helps millions of people with Medicare experience coordinated health care while also reducing costs for the Medicare program. CMS will continue to improve the program, and it is exciting to see that Accountable Care Organizations are continuing to be successful in delivering coordinated, high-quality, affordable, equitable, person-centered care."²¹ The National Association of Accountable Care Organizations (NAACOs) commended CMS, with the President and CEO, Clif Gaus, stating that "Every year, the body of data on how ACOs are improving our fragmented health system grows, and this year is no different. ACOs continue to provide more of what patients want and deserve -- affordable, high-quality, coordinated, and personalized care."²²

- 1 “Medicare Shared Savings Program Saves Medicare More Than \$1.8 Billion in 2022 and Continues to Deliver High-quality Care” Centers for Medicare & Medicaid Services, August 24, 2023, <https://www.cms.gov/newsroom/press-releases/medicare-shared-savings-program-saves-medicare-more-18-billion-2022-and-continues-deliver-high> (Accessed 8/28/23).
- 2 *Ibid.*
- 3 *Ibid.*
- 4 “Shared Savings Program Participation Options for Performance Year 2024” Centers for Medicare & Medicaid Services, March 2023, <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharesavingsprogram/Downloads/ssp-aco-participation-options.pdf> (Accessed 8/28/23).
- 5 *Ibid.*
- 6 *Ibid.*
- 7 *Ibid.*
- 8 “NAACOS Assessment of High-Low Revenue Designations” National Association of ACOs, <https://www.naacos.com/naacos-assessment-of-high-low-revenue-designations> (Accessed 8/28/23).
- 9 Centers for Medicare & Medicaid Services, March 2023.
- 10 Centers for Medicare & Medicaid Services, August 24, 2023.
- 11 *Ibid.*
- 12 *Ibid.*
- 13 *Ibid.*
- 14 *Ibid.*
- 15 *Ibid.*
- 16 “CMS Physician Payment Rule Advances Health Equity” Centers for Medicare and Medicaid Services, July 13, 2023, <https://www.cms.gov/newsroom/press-releases/cms-physician-payment-rule-advances-health-equity#:~:text=CMS%20is%20also%20proposing%20increases,3.34%25%2C%20from%20CY%202023.> (Accessed 8/28/23).
- 17 *Ibid.*
- 18 *Ibid.*
- 19 “Shared Savings ACOs cut spending \$1.8B in 2022” By Lauren Berryman and Nona Tepper, Modern Healthcare, August 24, 2023, <https://www.modernhealthcare.com/accountable-care/medicare-shared-savings-program-aco-2022-report-cms> (Accessed 8/30/23).
- 20 *Ibid.*
- 21 “ACOs delivered bigger 2022 savings than in 2021: CMS” By Noah Tong, Fierce Healthcare, August 24, 2023, <https://www.fiercehealthcare.com/providers/acos-delivered-bigger-2022-savings-2021-cms-announces> (Accessed 8/28/23).
- 22 “Medicare ACOs Saved \$4.2 Billion in 2022 Shared Savings ACOs Continue to Deliver Savings, Improve Health” National Association of Accountable Care Organizations, August 24, 2023, <https://www.naacos.com/press-release--medicare-acos-saved--4-2-billion-in-2022> (Accessed 8/28/23).



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Todd A. Zigrang, MBA, MHA, FACHE, CVA, ASA, ABV, is the President of **HEALTH CAPITAL CONSULTANTS (HCC)**, where he focuses on the areas of valuation and financial analysis for hospitals, physician practices, and other healthcare enterprises. Mr. Zigrang has over 25 years of experience providing valuation, financial, transaction and strategic advisory services nationwide in over 2,000 transactions and joint ventures. Mr. Zigrang is also considered an expert in the field of healthcare compensation for physicians, executives and other professionals.



Mr. Zigrang is the co-author of *“The Adviser’s Guide to Healthcare - 2nd Edition”* [AICPA - 2015], numerous chapters in legal treatises and anthologies, and peer-reviewed and industry articles such as: *The Guide to Valuing Physician Compensation and Healthcare Service Arrangements (BVR/AHLA)*; *The Accountant’s Business Manual (AICPA)*; *Valuing Professional Practices and Licenses (Aspen Publishers)*; *Valuation Strategies*; *Business Appraisal Practice*; and, *NACVA QuickRead*. Additionally, Mr. Zigrang has served as faculty before professional and trade associations such as the American Society of Appraisers (ASA); the National Association of Certified Valuators and Analysts (NACVA); the American Health Lawyers Association (AHLA); the American Bar Association (ABA); the Association of International Certified Professional Accountants (AICPA); the Physician Hospitals of America (PHA); the Institute of Business Appraisers (IBA); the Healthcare Financial Management Association (HFMA); and, the CPA Leadership Institute.

Mr. Zigrang holds a Master of Science in Health Administration (MHA) and a Master of Business Administration (MBA) from the University of Missouri at Columbia. He is a Fellow of the American College of Healthcare Executives (FACHE) and holds the Certified Valuation Analyst (CVA) designation from NACVA. Mr. Zigrang also holds the Accredited Senior Appraiser (ASA) designation from the American Society of Appraisers, where he has served as President of the St. Louis Chapter. He is also a member of the American Association of Provider Compensation Professionals (AAPCP), AHLA, AICPA, NACVA, NSCHBC, and, the Society of OMS Administrators (SOMSA).



Jessica L. Bailey-Wheaton, Esq., is Senior Vice President and General Counsel of HCC. Her work focuses on the areas of Certificate of Need (CON) preparation and consulting, as well as project management and consulting services related to the impact of both federal and state regulations on healthcare transactions. In that role, Ms. Bailey-Wheaton provides research services necessary to support certified opinions of value related to the Fair Market Value and Commercial Reasonableness of transactions related to healthcare enterprises, assets, and services.



Additionally, Ms. Bailey-Wheaton heads HCC’s CON and regulatory consulting service line. In this role, she prepares CON applications, including providing services such as: health planning; researching, developing, documenting, and reporting the market utilization demand and “need” for the proposed services in the subject market service area(s); researching and assisting legal counsel in meeting regulatory requirements relating to licensing and CON application development; and, providing any requested support services required in litigation challenging rules or decisions promulgated by a state agency. Ms. Bailey-Wheaton has also been engaged by both state government agencies and CON applicants to conduct an independent review of one or more CON applications and provide opinions on a variety of areas related to healthcare planning. She has been certified as an expert in healthcare planning in the State of Alabama.

Ms. Bailey-Wheaton is the co-author of numerous peer-reviewed and industry articles in publications such as: *The Health Lawyer*; *Physician Leadership Journal*; *The Journal of Vascular Surgery*; *St. Louis Metropolitan Medicine*; *Chicago Medicine*; *The Value Examiner*; and *QuickRead*. She has previously presented before the ABA, the NACVA, and the NSCHBC. She serves on the editorial boards of NACVA’s *QuickRead* and AHLA’s *Journal of Health & Life Sciences Law*.



Janvi R. Shah, MBA, MSF, serves as Senior Financial Analyst of HCC. Mrs. Shah holds a M.S. in Finance from Washington University Saint Louis. She develops fair market value and commercial reasonableness opinions related to healthcare enterprises, assets, and services. In addition she prepares, reviews and analyzes forecasted and pro forma financial statements to determine the most probable future net economic benefit related to healthcare enterprises, assets, and services and applies utilization demand and reimbursement trends to project professional medical revenue streams and ancillary services and technical component (ASTC) revenue streams.



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