

Accountable Care Organizations Exiting the Medicare Shared Savings Program: Policy and Organizational Determinants

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Research Objective

- (1) To depict the trend of Accountable Care Organizations (ACOs) exits from the Medicare Shared Savings Program (SSP);
- (2) To evaluate the effects of policy and organizational determinants on the probability of ACOs exiting.

Methods

Data Description

- Data:** ACO-level performance and service-utilization data released by the Center for the Medicare & Medicaid Services; organizational data collected by RUPRI Center for Rural Health Policy Analysis & Leavitt Partners.
- Sample:** 666 ACOs that successfully reported key variables from 2013 to 2016, including first-year ACOs.

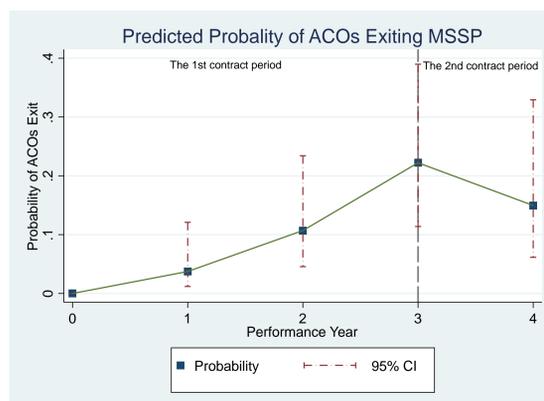
Key Variables

- Outcome variables:** Whether an ACO exited from MSSP on a specific year.
- Organizational factors:** Geographic location, provider and sponsor type, beneficiary size, and Electronic Health Record (EHR) rates (the percent of PCPs who successfully meet Meaningful Use Requirements in this ACO).
- Policy motivation:** Financial incentive (receiving payment, generating saving but not receiving payment, and failing to generate savings), Advance Payment Program (APP) participants, and benchmark per person-year.

Analysis

- Discrete-time logistic regression model

$$\log\left(\frac{P(t)}{1-P(t)}\right) = \alpha + \beta t + \gamma_i X_i + \delta_i t X_i + \varepsilon$$

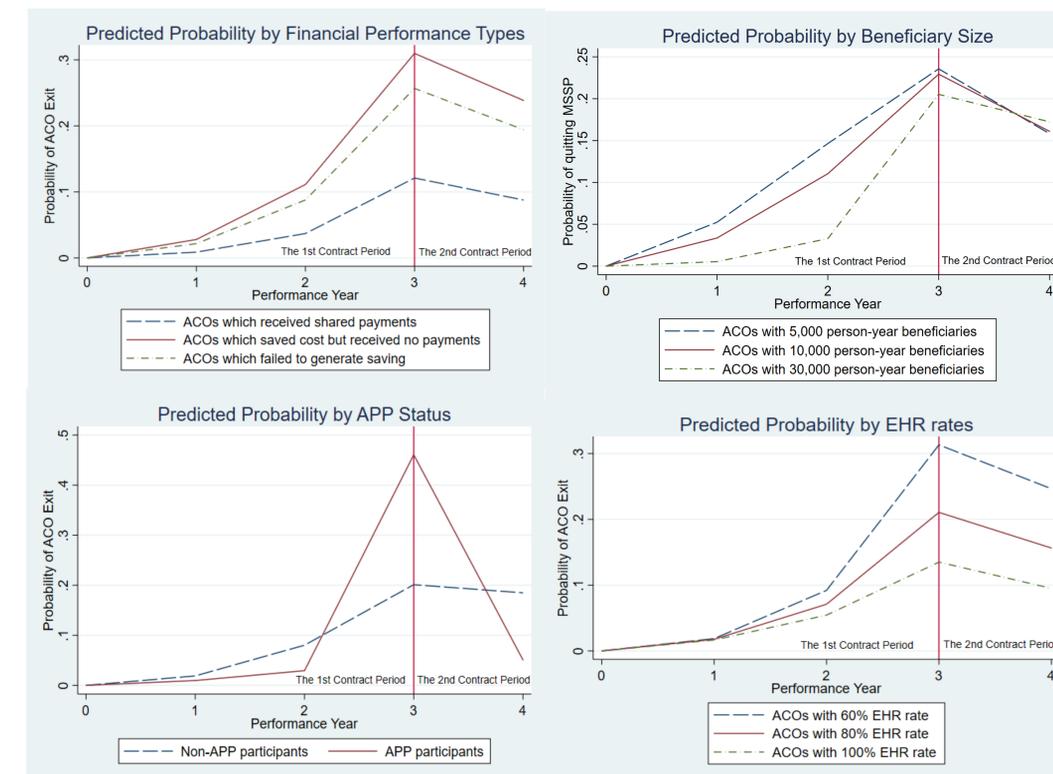


Results

		Coef.	Odds ratios	Marginal effect
Organizational factors				
<i>Geographic presence (Ref.=Urban)</i>				
	Rural	-0.19	0.82	-0.02
	Mixed	-0.06	0.94	-0.01
	Mostly urban	0.07	1.07	0.01
<i>Person-years (Thousand)</i>		-0.09*	0.91*	-0.003**
<i>Sponsor type (Ref.=Hospital)</i>				
	Physician	0.15	1.17	0.01
	Other	0.01	1.01	0.001
<i>Provider type (Ref.=Hospital)</i>				
	Physician	0.09	1.09	0.01
	Both	-0.03	0.97	-0.003
<i>EHR rate</i>		-0.003	1	-0.002***
Policy motivation				
<i>Financial incentive (Ref.=Receiving shared payment)</i>				
	Achieved cost-saving	1.18***	3.26***	0.09***
	Did not generate any saving	0.92***	2.51***	0.07***
<i>Advance payment participant</i>		-0.68	0.51	0.01
<i>Benchmark per person year (Thousand)</i>		-0.06	0.94	-0.005
Interaction terms with Time				
<i>Person-years (Thousand)</i>				
	Year 2	0.03	1.03	
	Year 3	0.09*	1.09*	
	Year 4	0.10*	1.10*	
<i>EHR rate</i>				
	Year 2	-0.01	0.99	
	Year 3	-0.02†	0.98†	
	Year 4	-0.03	0.97	
<i>Advance payment participant</i>				
	Year 2	-0.38	0.68	
	Year 3	1.90†	6.69†	
	Year 4	-0.76	0.47	
Control variables				
<i>Age composition</i>				
	Age group percentage (64-75)	-0.01	0.99	-0.001
	Age group percentage (>75)	-0.004	1	-0.0003
<i>Female group percentage</i>		0.03	1.03	0.003
<i>White group percentage</i>		0.01	1.01	0.001
<i>Cohort(Reference=2013)</i>				
	2014	0.14	1.15	0.01
	2015	0.23	1.26	0.02
	2016	0.15	1.16	0.01
Time Trend (Ref.= Year 1)				
	Year 2	1.89	6.63	0.07***
	Year 3	2.96*	19.22*	0.21***
	Year 4	2.78†	16.18†	0.16***
Constant				
		-4.65	0.01	

Conclusion and Implication

- Financial incentive, APP participants, beneficiary panel size, and EHR use were significantly associated with the risk of ACOs exiting the Medicare SSP.
- Policymakers should consider
 - Adjusting MSRs to retain ACOs that achieved cost savings below current MSRs;
 - Supporting larger ACOs to achieve organizational goals;
 - Continuing programs that support the implementation and use of EHR.



- The probability of ACO exit increased over time and reached its peak at the end of the three-year contract period. But, it greatly dropped in the new contract period.
- ACOs that generated savings, but did not receive shared savings payments, had the highest probability to leave MSSP.
- ACOs with large beneficiary size were more likely to leave the program over time.
- APP participants were more likely to leave the program at the end of the contract period.

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