

Connecticut Medicare ACOs overspent by \$45 million in 2016

[Data from CMS show](#) that in 2016 Connecticut’s Accountable Care Organizations (ACOs) together spent \$45 million more on care for Medicare beneficiaries above risk-adjusted benchmark spending levels. [ACOs are networks of providers](#) across the continuum that coordinate care for people and receive a share of the savings they generate. All of Connecticut’s Medicare ACOs only accept upside risk, meaning that they share in potential savings but do not share in losses. Only one Connecticut ACO, ProHealth Physicians ACO, saved money on the care of their Medicare patients, earning a \$6 million shared savings payment. The average Connecticut ACO overspent their benchmark by \$5.6 million in 2016. The average ACO nationally saved \$1.5 million from the benchmark but [Medicare has not saved enough money](#) on the program to cover program costs.

All Connecticut ACOs met Medicare’s quality standards, but only four of 432 ACO nationally didn’t meet those standards. There is [little evidence that the quality metrics are meaningful](#) or reflect health outcomes.

One in four Connecticut Medicare beneficiaries (164,348 people) was in an ACO in 2016 when there were eight ACOs covering Connecticut beneficiaries. Not all ACOs in participate in Medicare, including most ACOs in Connecticut Medicaid’s [controversial new PCMH Plus](#) program.

ACO	Members	Savings (Losses)	Costs/member	Readmissions	ED visits	Avoidable Admissions: heart failure
St. Francis	20,845	\$ (857,072)	\$ 11,256	185	717	14.6
Hartford Healthcare	23,264	(9,976,071)	13,557	201	891	17.8
ProHealth	30,480	12,475,518	9,827	151	641	15.8
CMG	17,717	(4,361,956)	10,729	155	661	13.9
Valley Health	7,554	(3,218,330)	10,582	167	843	12.7
Life Health	11,993	(145,560)	11,613	173	861	18.4
WCHN	27,957	(21,993,591)	11,290	151	626	13.3
NEMG	24,538	(17,062,438)	11,680	174	646	14.2
CT average		(5,642,438)	11,317	170	736	15.1
US average		1,509,129	10,755	168	746	14.5

Notes on table: 2016 Medicare ACOs that primarily serve Connecticut patients; CMG = Community Medical Group, New Haven; Valley Health = Valley Health Alliance, St. Mary's Hospital; Life Health = Life Health Services, Middlesex and Griffin Hospitals; WCHN = Western CT Health Network, Danbury, New Milford and Norwalk Hospitals; NEMG = Northeast Medical Group, Yale-New Haven Health System; Readmissions are 30-day, all-cause, per 1,000 discharges; ED visits are per 1,000 members; Avoidable admissions are Ambulatory Sensitive Conditions Admissions: Heart Failure (AHRQ Prevention Quality Indicator (PQI) #8)

Sources: Shared Savings Program Accountable Care Organizations (ACO) Public Use File, CMS, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Downloadable-Public-Use-Files/SSPACO/index.html>; Connecticut's Accountable Care Organizations: Early results – Good intentions but a tentative future, CT Health Policy Project, March 2016, http://cthealthpolicy.org/wp-content/uploads/2016/03/aco_survey_brief.pdf; B Saver et. al., Care That Matters: Quality Measurement and Health Care, PLoS Med., Nov 2015, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4648519/>; Medicare Accountable Care Organizations Have Increased Federal Spending Contrary to Projections That They Would Produce Net Savings, Avalere Health, March 29, 2018, <http://avalere.com/expertise/managed-care/insights/medicare-accountable-care-organizations-have-increased-federal-spending-con>