

Status Report on Medicare Accountable Care Organizations

ISSUE: This paper briefly reviews the status of the Medicare accountable care organization (ACO) programs in 2017, the performance of the Medicare ACO programs in 2016—relative to both the CMS-constructed benchmarks and other savings estimates—and some concerns regarding benchmark methodology in the various ACO programs.

KEY POINTS: We show performance of the ACOs in 2016 relative to the CMS-constructed benchmarks and highlight ways that other studies have evaluated the success of Medicare's various ACO programs. This outside literature and CMS indicate potential savings of zero to two percent and high quality performance across the different programs. We also consider how the benchmarks have been constructed and how beneficiary alignment interacts with the benchmarks.

ACTION: Commissioners should review the findings in preparation for a discussion at the January 2018 meeting.