Exhibit 1. Medicare Shared Savings Program: Year 1 Performance of Participating Accountable Care Organizations (2013)

- 24 percent (52 ACOs) earned shared savings bonus
- 27 percent (60 ACOs) reduced spending, but not enough to earn shared savings bonus
- 46 percent (102 ACOs) did not achieve savings
- 3 percent (6 ACOs) achieved savings, but did not successfully report quality measures

220 Medicare Shared Savings Program ACOs

Exhibit 2. Percentage of Accountable Care Organizations in the Medicare Shared Savings Program Meeting Select Quality Benchmarks (2013)

- Getting timely care: 100%
- How well doctors communicate: 7, 93, 17
- Shared decision-making: 21, 62, 17
- Risk-standardized all-condition readmission: 18, 81, 55
- ACS admissions for heart failure: 45, 55, 7
- % of PCPs qualified for EHR incentive: 24, 69, 7
- Medication reconciliation: 12, 45, 43
- Screening for fall risk: 25, 67, 8
- Pneumococcal vaccination: 9, 91, 8
- Depression screening: 21, 59, 20
- Colorectal cancer screening: 4, 96, 39
- Adults with BP screening in past 2 years: 5, 56, 39
- Diabetes composite: 34, 58, 8
- % with hypertension with BP <140/90: 15, 80, 5
- Coronary artery disease composite: 28, 62, 10

Notes: Benchmarks are set based on the performance of Medicare providers not participating in the Shared Savings Program. ACS = ambulatory care–sensitive.
### Exhibit 3. Select CMS Innovation Center Initiatives on Primary Care Transformation

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Patients</th>
<th>Providers</th>
<th>Multiple Payers?</th>
<th>Total Payments to Date</th>
<th>Early Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive Primary Care Initiative</td>
<td>2,534,506</td>
<td>2,494</td>
<td>Yes</td>
<td>$153.2M</td>
<td>In year 1, initiative generated nearly enough savings to cover $20 care management fee paid, although not enough for net savings. Across all seven regions, emergency department visits decreased by 3% and hospital admissions by 2%. Quality results mixed.</td>
</tr>
<tr>
<td>Multi-Payer Advanced Primary Care Practice Demonstration</td>
<td>2,225,537</td>
<td>3,837</td>
<td>Yes</td>
<td>$99.2M</td>
<td>Generated $4.5 million in savings across eight states.</td>
</tr>
<tr>
<td>FQHC Medical Home Demonstration</td>
<td>Total n/a; 207,000 Medicare beneficiaries</td>
<td>2,700</td>
<td>No</td>
<td>$41.7M</td>
<td>73% of 492 participating health centers achieved Level 3 Patient-Centered Medical Home recognition based on standards set by National Committee for Quality Assurance, short of 90% goal set in 2011.</td>
</tr>
<tr>
<td>Independence at Home</td>
<td>8,300</td>
<td>347</td>
<td>No</td>
<td>Have not issued payments</td>
<td>No results yet</td>
</tr>
<tr>
<td>Total</td>
<td>4,768,343</td>
<td>9,378</td>
<td>2/4 initiatives</td>
<td>$294.1M</td>
<td></td>
</tr>
</tbody>
</table>
Exhibit 4. Change in All-Cause 30-Day Hospital Readmission Rates

Source: Patrick Conway, Office of Information Products and Data Analytics, Centers for Medicare and Medicaid Services.
Exhibit 5. Accelerating Implementation of Key Payment Reform Provisions

Hospital Value-Based Purchasing

- **2010–2012**: Builds on measures used in Inpatient & Quality Reporting (IQR) and Hospital Compare programs.
- **2013**: 1% of hospital payments affected.
- **2014–2017**: Incremental increase to 2% of hospital payments affected in 2017 and beyond.

Hospital Readmissions Reduction Program

- **2010–12**: Builds on the measures used in IQR and Hospital Compare programs.
- **2013**: Up to 1% of hospital payments affected. Based on readmissions for heart attack, heart failure, pneumonia.
- **2014–15**: Incremental increase to 3% of hospital payments affected in 2015 and beyond. Additional conditions included: COPD and elective hip & knee replacements.

Medicare Shared Savings Program

- **2012–13**: Initial members join program. Pay-for-reporting in first performance year. Option for shared-savings only in first three years of participation.
- **2014–15**: Measures transitioned to pay-for-performance (shared savings only).
- **2016 and beyond**: Greater incentives for sharing (downside) risk.

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1 Buildings on Physician Group Practice demonstration. Pioneer and Advanced Payment ACOs also launched through the Center for Medicare and Medicaid Innovation in 2012 with more-sophisticated provider organizations.
### Accountable Care
- Pioneer ACOs
- Advance Payment ACOs

### Bundled Payment for Care Improvement
- Model 1: Retrospective Acute Care
- Model 2: Retrospective Acute and Postacute Care Episode
- Model 3: Retrospective Postacute Care
- Model 4: Prospective Acute Care

### Primary Care Transformation
- Comprehensive Primary Care Initiative
- Advanced Primary Care Practice Demonstration (Federally Qualified Health Centers)
- Independence at Home Demonstration
- Multi-Payer Advanced Primary Care Practice Demonstration

### Initiatives to Speed the Adoption of Best Practices
- Innovation Advisors Program
- Partnership for Patients

### Initiatives Focused on the Medicaid and CHIP Population
- Medicaid Emergency Psychiatric Demonstration
- Medicaid Innovation Accelerator Program
- Strong Start for Mothers and Newborns
- Medicaid Incentives for Prevention of Chronic Diseases

### Initiatives Focused on Medicare-Medicaid Enrollees
- Financial Alignment Initiative
- Initiative to Reduce Avoidable Hospitalization Among Nursing Facility Residents

### Initiatives to Accelerate the Development and Testing of New Payment and Service Delivery Models
- Health Care Innovation Awards
- State Innovation Models Initiative
Exhibit 7. Change in Rates for Hospital-Acquired Conditions, 2010–13

- Adverse Drug Events: -19%
- Catheter-Associated UTIs: -28%
- Central Line-Associated Bloodstream Infections: -49%
- Falls: -8%
- Pressure Ulcers: -20%
- Surgical Site Infections: -19%
- Ventilator-Associated Pneumonias: -3%
- Venous Thromboembolisms: -18%
- Total: -17%