



## Impact of the ACO Investment Model

### AIM ACOs: Impact on Patient Experience and Quality of Care

The AIM model evaluation compared ACO-assigned and non-ACO fee-for-service (FFS) comparison beneficiaries in the ACO markets on a number of indicators, including patient experience, quality of care, and total cost of care.

- AIM ACOs maintained performance on patient or caregiver experience of care measures.
- AIM ACOs maintained performance on ACO-level preventive health and at-risk population health quality of care measures.
- Beneficiaries assigned to the same AIM ACO over the three performance years were healthier and less costly. These beneficiaries were associated with greater reductions in total Medicare spending.

The Center for Medicare & Medicaid Innovation (CMMI) designed the [Accountable Care Organizations \(ACO\) Investment Model \(AIM or Investment Model\)](#) for organizations participating as ACOs in the Medicare Shared Savings Program (MSSP). The AIM model, which operated from 2015 to 2018, provided up-front investment payments to address stakeholder concerns and research that suggested some providers lack capital needed to invest in infrastructure to form and operate ACOs. The up-front payments to AIM ACOs functioned as pre-paid shared savings, as the investment dollars were subject to CMMI recoupment.

After accounting for the up-front investment payments and ACO's earned shared savings, AIM resulted in a net aggregate reduction in spending by Medicare of \$381.5 million across the three performance years.

To participate in AIM, ACOs were required to participate in MSSP and either serve fewer than 10,000 beneficiaries or operate in rural areas. **The model encouraged new ACOs to form in these underserved areas and take greater financial risk.**

Many of the AIM ACOs located in the geographic areas with greater health care needs and where providers had less access to ACOs indicated that AIM funds were critical to implementing an ACO. The participating AIM ACOs were successful in reducing total Medicare spending and related utilization without decreasing the quality of care they provided and generated net savings each performance year. Although most AIM ACOs ended their participation at the conclusion of the third performance year, many of the providers joined other MSSP ACOs beginning in 2019.

The AIM ACO demonstration reflects the importance of up-front investment in establishing and operating an ACO. For those interested in participating in small or rural ACOs but without the financial wherewithal to do so, the AIM investment dollars created a win-win-win situation for the participating ACOs, their assigned beneficiaries, and the Medicare Trust Fund.

## AIM ACO Participation and Performance

The AIM model was available to new ACOs in rural regions to support the fixed and variable costs associated with forming an ACO, and to existing ACOs in rural areas to help with their progression to higher levels of financial risk by supporting ongoing investments in care coordination.

Across all three performance years, AIM ACOs made statistically significant reductions in several utilization metrics. In Performance Year 3, AIM ACOs reduced:

- Spending on inpatient hospitalizations (-4.0%), hospital outpatient visits (-3.7%), skilled nursing facility stays (-7.8%), and home health episodes (-8.2%)
- Utilization of emergency department visits not resulting in hospital admissions (-2.95%)
- Hospital readmissions (-4.4%)

Medicare beneficiaries assigned to AIM ACOs reduced spending and utilization relative to beneficiaries in the evaluation comparison group and most AIM ACOs reduced spending compared to similar non-AIM SSP ACOs across the three performance years.

Source: [CMS Evaluation Reports](#)

Performance Year	Total ACOs	Assigned Beneficiaries	Per Beneficiary Per Month Total Spending Reductions	Gross Spending Reductions (Millions)	Net Savings to Medicare (Millions)
2018 (PY3)*	45	492,114	-\$38.73	-\$207.7	-\$119.7 (2.3%)
2017 (PY2)	45	469,729	-\$36.94	-\$187.7	-\$153.4 (3.0%)
2016 (PY1)	47	421,561	-\$28.21	-\$131.0	-\$108.4 (2.3%)

\*removed any recouped AIM payments as of the end of 2018  
All results statistically significant at the 5 percent level

### Resource Links

Model Evaluations Prepared by Abt Associates in partnership with L&M Policy Research, Insight Policy Research, & J. Michael Williams

- [AIM Impacts in the First Performance Year](#)
- [AIM Implementation and Impacts over Two Performance Years](#)
- [AIM Final Report](#)

The AIM ACO Model successfully generated savings to Medicare during each of the performance years while maintaining quality of care. Although this successful model has ended, it is encouraging to see CMS continue to use the lessons learned from AIM in upcoming models, like the ACO Transformation Track of the [Community Health Access and Rural Transformation \(CHART\) Model](#), which was announced in August 2020. With 57 million Americans living in rural areas, increasing opportunities for participation in value-based arrangements in rural America is critical to the acceleration of transformation to value-based care in the U.S. and up-front investment dollars is an important incentive.



Established in 2014, the Health Care Transformation Task Force brings together patients, payers, providers, and purchaser representatives to act as a private sector driver, coordinator, and facilitator of delivery system transformation. In addition to serving as a resource and shared learnings convener for members, the Task Force is also a leading public voice on value-based payment and care delivery transformation.