



IMPACT OF THE MEDICARE SHARED SAVINGS PROGRAM

Evolution of MSSP Options

MSSP is an important vehicle for scaling payment model concepts tested by the Center for Medicare and Medicaid Innovation (CMMI). Over the years MSSP has refined the options for participation.

The initial program, which launched in 2012, included two tracks:

- **Track 1:** upside-only risk option with up to 50 percent shared savings,
- **Track 2:** two-sided risk option with up to 60 percent shared savings.

In 2016, a new track was added:

- **Track 3:** introduced based on an expansion of the successful Pioneer ACO model.

Starting in July 2019, the Pathways to Success rule replaced the existing participation options for MSSP with two new tracks:

- The **Basic Track:** which includes five levels of increasing risk (Levels A through E), and
- The **Enhanced Track:** which is a two-sided risk option with up to 75 percent shared savings and losses ranging from 40 to 75 percent losses not to exceed 15 percent of participant benchmark.

Medicare ACOs participating in legacy Tracks 2 and 3, Level E of the Basic track or the Enhanced track qualify as Advanced APMs under MACRA's Quality Payment Program.

The [Medicare Shared Savings Program](#) (MSSP) is the largest ACO program operated by the Centers for Medicare and Medicaid Services (CMS). MSSP was established under the Affordable Care Act and launched in 2012 as a voluntary, permanent program that allows Medicare providers and suppliers to create ACOs and accept financial responsibility for the cost and quality of care for attributed Medicare patients. The model was based on concepts tested in the [Physician Group Practice Demonstration](#) (PGP), a George W. Bush Administration initiative that operated from 2005 to 2010.

MSSP was designed to promote the shift from traditional volume driven fee-for-service payments to models that pay for value and outcomes with the goals of: 1) promoting accountability for a patient population, 2) coordinating services for Medicare FFS beneficiaries, and 3) encouraging investment in high quality and efficient services.

The program launched with two options for participation; a one-sided risk arrangement that offered shared savings to ACOs that successfully met cost and quality targets, and a 2-sided risk arrangement that offered ACOs a larger share of potential savings while also holding them accountable for repaying costs in excess of their benchmark. Since its launch, MSSP has evolved to include six participation tracks that offer a glide path for ACOs to adopt larger risk/reward options.

The CMMI Pioneer ACO model was expanded as a new MSSP Track 3 in the 2016 performance year.

MSSP Impacts on Medicare Quality and Cost

MSSP has demonstrated steady growth in the number of Medicare beneficiaries covered by the program while maintaining high performance on quality measures and generating shared savings for participating ACOs and Medicare. This success has endured for ACOs and Medicare across two administrations. In a recent [blog](#) CMS Administrator Seema Verma highlighted the continued success of the MSSP program, the role of the program in encouraging providers to accept greater levels of risk, and the potential for future model tests to better engage rural health care providers.

Performance Year	Total ACOs	Beneficiaries Covered	Gross Savings to CMS	Shared Savings to ACOs	Average Quality Scores
2012-2013	220	3.2 million	\$234 million	\$312 million	95%
2014	338	4.9 million	\$291 million	\$341 million	83%
2015	404	7.3 million	\$429 million	\$645 million	91%
2016	433	7.7 million	\$652 million	\$691 million	95%
2017	480	9.0 million	\$1,095 million	\$781 million	92%
2018	561	10.5 million	\$1,706 million	\$966 million	93%
2019	541	11.2 million	\$2,646 million	\$1,454 million	92%
2020	517	11.2 million	–	–	–

Source: [2013-2019 MSSP Public Use Files](#) & [Shared Savings Program 2020 Fast Facts](#)

In addition to the internal data released by CMS, several independent sources have confirmed the positive impacts of MSSP.

- A 2017 [report](#) from the Office of the Inspector General found that MSSP ACOs generated \$1 billion in savings during the first three years of the program. Furthermore, OIG found that MSSP ACOs outperformed fee-for-service providers on the majority (81 percent) of quality measures.
- A 2019 MedPAC [study](#) found that beneficiaries consistently assigned to the same MSSP ACO from 2013-2016 experienced a 10 percentage point reduction in spending growth relative to the market average in their region.

Resource Links

Financial & Quality Results

- [2017 Performance Year](#)
- [2018 Performance Year](#)
- [2019 Performance Year](#)

Program Data & Evaluations

- [Fast Facts \(2020\)](#)
- [Inspector General Report](#)

While MSSP has been successful, the total number of MSSP ACOs declined and the growth rate of beneficiaries covered has slowed since the implementation of the Pathways to Success. This trend, combined with the CMS decision to bar new ACO applicants for 2021 in response to COVID, threatens to further slow the momentum of MSSP at a time when the program is showing scalable success.



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.