

## Scripps MSSP Performance Year 2017 Final Results

### SCRIPPS ACO PY 2017 RANKINGS AMONG 23 CALIFORNIA MSSPS<sup>1,2</sup>

- # 1 Savings to CMS based on net of shared savings with the ACO<sup>3</sup>
- # 3 Largest ACO by number of beneficiaries
- # 5 Total savings in CA before sharing savings with the ACO
- # 5 Lowest expenditures in CA per assigned beneficiary
- # 7 Lowest updated benchmark in CA per assigned beneficiary

### Highlights

- **Scripps ACO's Medicare Shared Savings Program (MSSP) reduced Medicare expenditures for its population by \$3.89 Million. Scripps ACO did not earn shared savings from CMS due to savings being within the 2% risk corridor.**
- **36,491 Medicare beneficiaries were attributed to the Scripps ACO.**
- **Scripps ACO achieved status to qualify participating providers for 5% bonus from CMS for 2017. CMS anticipates distributing the bonus in the third quarter of 2019, directly to 2017 MSSP participants, in a lump sum, to each participating TIN.**

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The Scripps ACO's MSSP Final Reconciliation of Performance Year 2017 was released by CMS in August 2018. The document provides the ACO's finalized quality and financial performance for its initial MSSP participation year from January to December 2017.

CMS reported that Scripps ACO reduced Medicare expenditures by 1% for its attributed population when compared to the ACO's benchmark, translating to \$3.89 Million or \$108 Per Member Per Year savings to CMS. Though a positive outcome, this result does not meet Medicare's requirement for the Scripps ACO to earn shared savings due to being below the ACO's 2% minimum savings rate (i.e., at least \$7.84 Million in savings required). CMS' final reconciliation also determined that the Scripps ACO successfully met the standard for reporting all requested quality metrics, fully satisfying CMS' quality requirements for the MSSP's first participation year.

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## PY 2017 SCRIPPS ACO MSSP RESULTS AT A GLANCE

**36,491** attributed beneficiaries

**\$3,888,350** savings produced for CMS

**1%** reduction in expenditures compared to benchmark

**\$0** savings shared with Scripps ACO MSSP by CMS

For comparison, from publically available CMS reports<sup>1</sup>, approximately one-third of ACOs in the nation achieved shared savings in PY 2017. In this group, on average, ACOs earned \$5 Million in shared savings from CMS and had been participating in MSSP for 3.6 years. The top earning ACO in the nation was attributed 42k beneficiaries and reduced Medicare expenditures by \$42.4 Million (9% reduction), resulting in \$29.7 Million in shared savings to be paid to the ACO by CMS. In California, 11 out of 23 ACOs reduced expenditures for Medicare and 4 ACOs achieved shared savings.

Even though shared savings were not earned by the Scripps ACO, the 2017 results illustrate that Scripps ACO participants have brought value to CMS and our patients. This was achieved through key initiatives such as establishing the Skilled Nursing Facility (SNF) Preferred Network, a network of 15 SNFs assessed to be high value compared to peers.

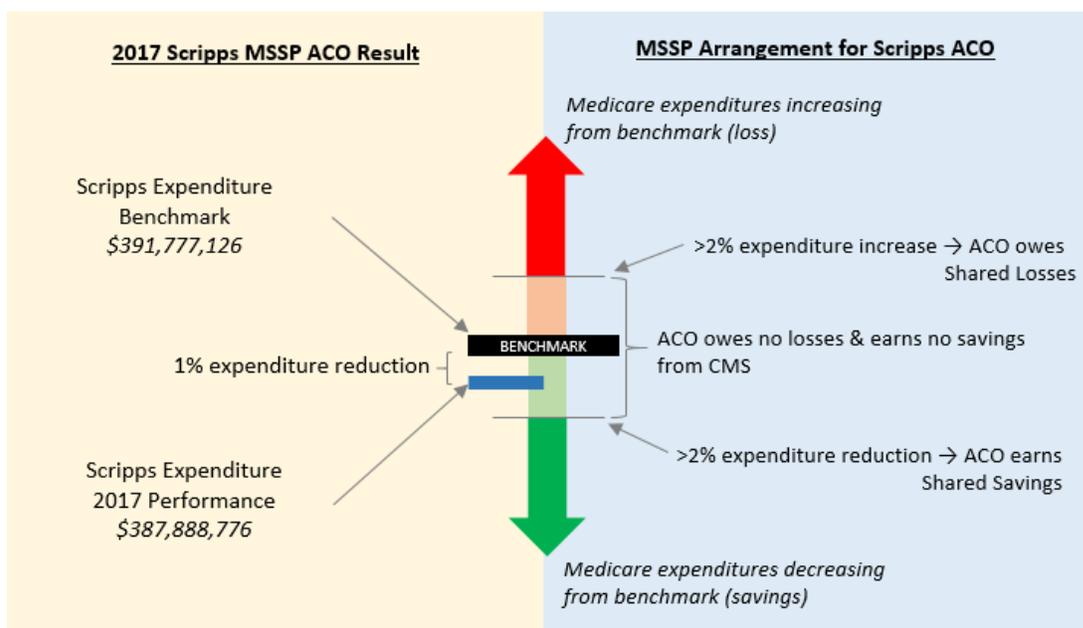
PY 2017 SCRIPPS SNF NETWORK PERFORMANCE	Preferred Network	Not Preferred Network
Spend per admit	\$11,855	\$13,763
Length of Stay	19	23
% pts discharged to a network SNF from a Scripps facility	51%	49%
% pts discharged to a network SNF from any facility	36%	64%

As a reminder, the 5% part B incentive payment for participating providers remains intact, because the Scripps MSSP achieved QP status as an Advanced Alternative Payment Model (AAPM). It is expected that providers who were participating in the Scripps MSSP in 2017 will receive the 5% bonus, directly from CMS to each TIN as a lump sum in Q3 of 2019.

PY 2017 SCRIPPS MSSP PERFORMANCE SUMMARY		
Attributed Lives	36,491	
Total Benchmark Expenditures	\$391,777,126	A
Total Expenditures	\$387,888,776	B
Total Savings to CMS	\$3,888,350	A-B
Earned Shared Savings or Losses	\$0	C
Net Savings to CMS	\$3,888,350	A-B-C
Per Capita Updated Benchmark	\$10,893	D
Per Capita Expenditures	\$10,785	E
Reduction in Per Capita Expenditures	\$108	D-E
Savings Rate	1%	
Minimum Savings Rate Threshold	2%	

### A Review: Mechanics to Achieve Shared Savings in MSSP<sup>4</sup>

Shared Savings is achieved when performance year expenditures are less than benchmark, over a minimum savings rate. To produce an ACO's benchmark, CMS utilizes average per capita, risk-adjusted, truncated expenditures for the population that would have been assigned to the ACO in the three years prior to its initial performance year. CMS utilizes expenditures from the performance year of interest to calculate the ACO's performance. An ACO is accountable to Medicare Parts A and B services under the Medicare FFS program, regardless of whether care is in or out of the ACO's network.



## Notes

1. Source: CMS.gov. 2018. Shared Savings Program Accountable Care Organizations (ACO) Public-Use Files. Available online at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Downloadable-Public-Use-Files/SSPACO/index.html>. [Accessed 10 September 2018]
2. Given that ACOs can have attributed beneficiaries across multiple states, an ACO was considered to be a California MSSP when an MSSP's largest number of beneficiaries resided in California.
3. Formula: Total Savings to CMS – Shared Savings Earned by ACO.  
Applied to Scripps ACO:  $\$3,888,350 - \$0 = \$3,888,350$
4. Source: CMS.gov. 2018. Shared Savings and Losses Assignment Methodology Version 6. Available online at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/Downloads/Shared-Savings-Losses-Assignment-Spec-V6.pdf> [Accessed 26 October 2018]