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ACO REACH 2023 Landscape

The Center for Medicare and Medicaid Services has publicly released information on the Accountable Care Organizations (ACOs) participating in the ACO Realizing Equity, Access, and Community Health (ACO REACH) Model in Performance Year 2023. We are summarizing the characteristics of the 2023 participants based on CMS's data preview.

Backgrounds

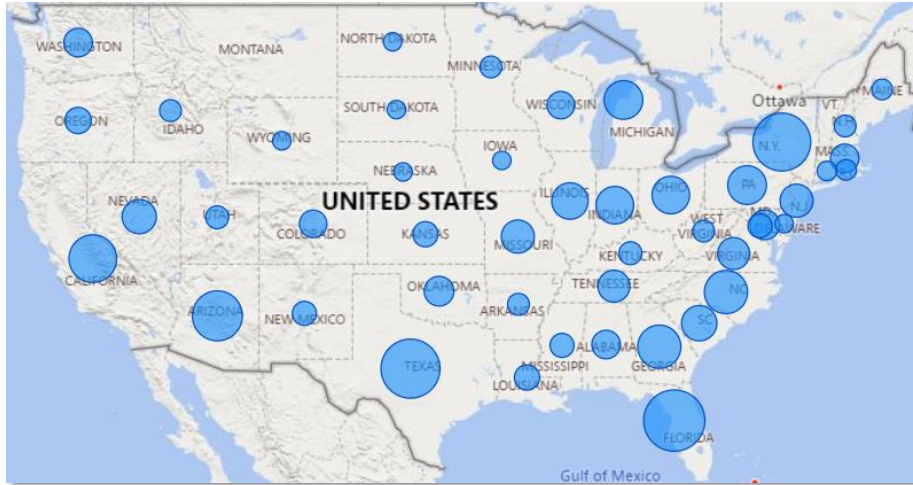
The ACO REACH model (formerly known as Direct Contracting) is a value-based payment model designed and operated by the Center for Medicare and Medicaid Innovations (CMMI). Since its inception and first performance year of 2021, it has gained popularity among providers, payors and accountable care organizations. The number of participating ACOs increased from 53 in 2021 to 132 in 2023, with 132K participating and preferred providers, serving 2.1M Medicare beneficiaries.

The ACO REACH model offered two tracks, the global option and professional option, with varying degrees of risk sharing. It also offers capitation options that cover primary care services or total cost of care, along with advanced payment options. ACOs and their participating and preferred providers choose the degree of risk sharing, within their program parameters. Quality and health equity are also key components of the model.

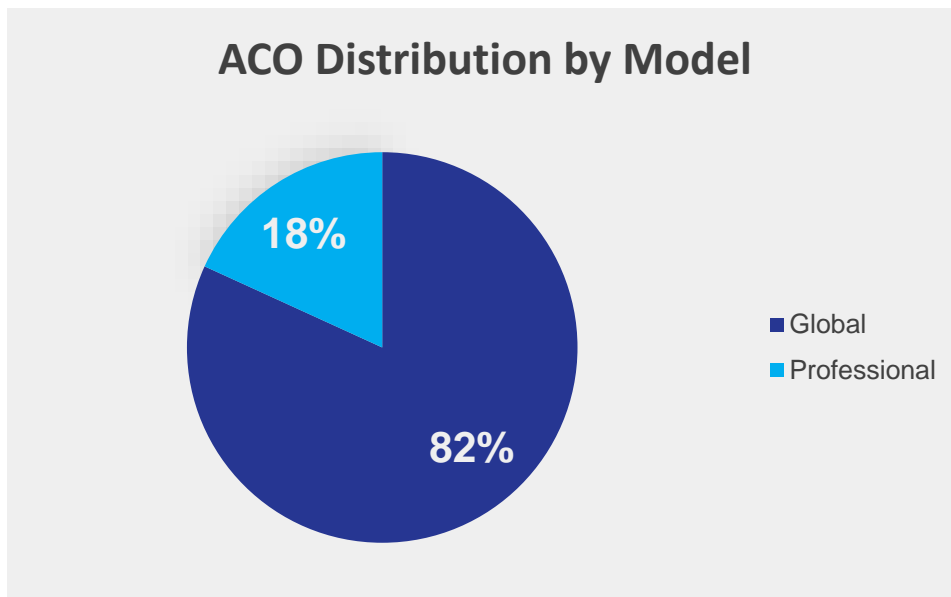
2023 Landscape

Key characteristics of the 2023 ACO REACH participants are summarized below.

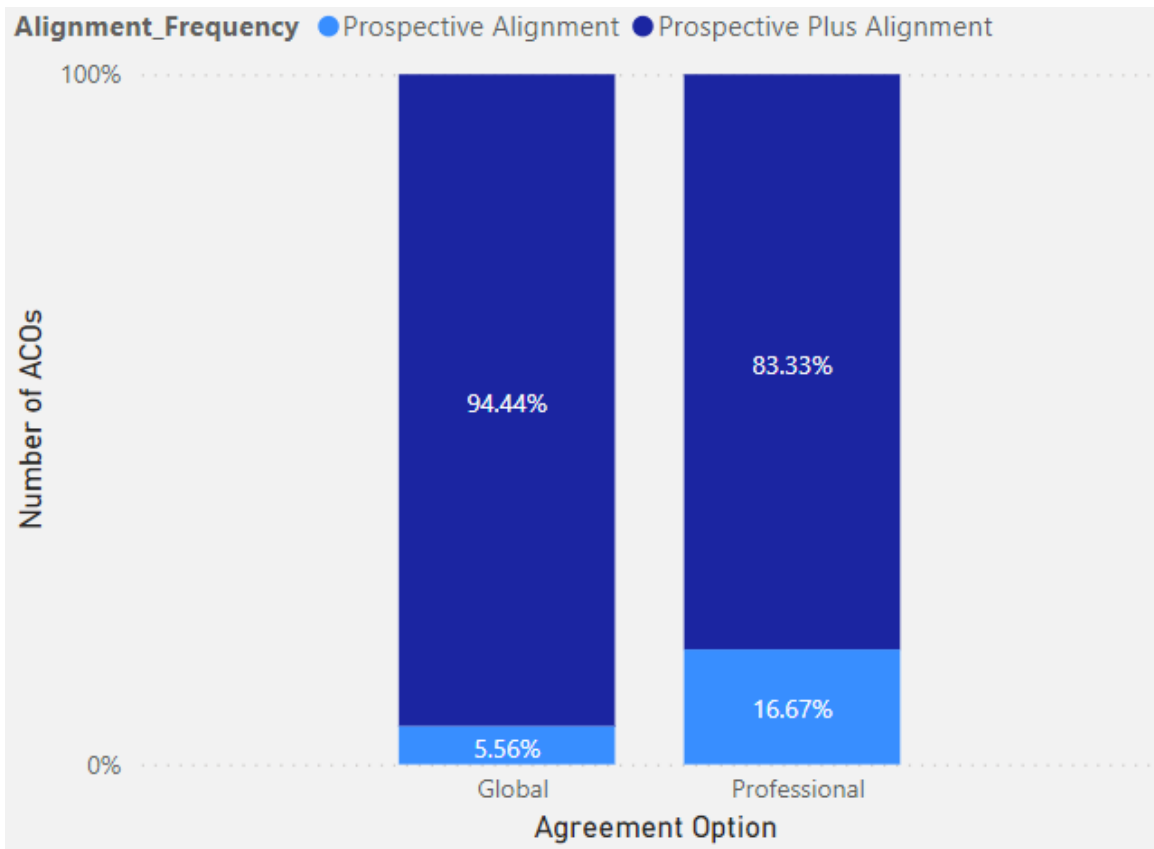
Florida and New York have the highest number of REACH ACOs



Majority of the REACH ACOs are on the global track, with higher degree of risk-sharing similar to prior years

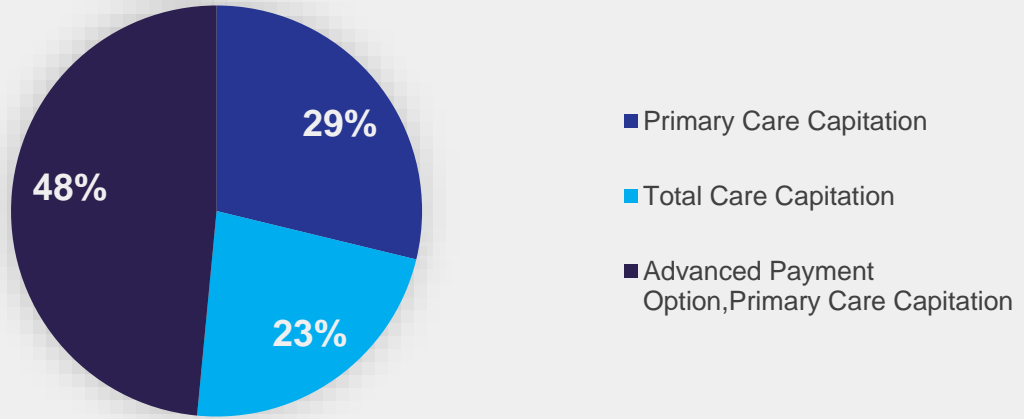


The vast majority of the REACH ACOs elected Prospective Plus Alignment, allowing for quarterly alignment of voluntarily-aligned beneficiaries

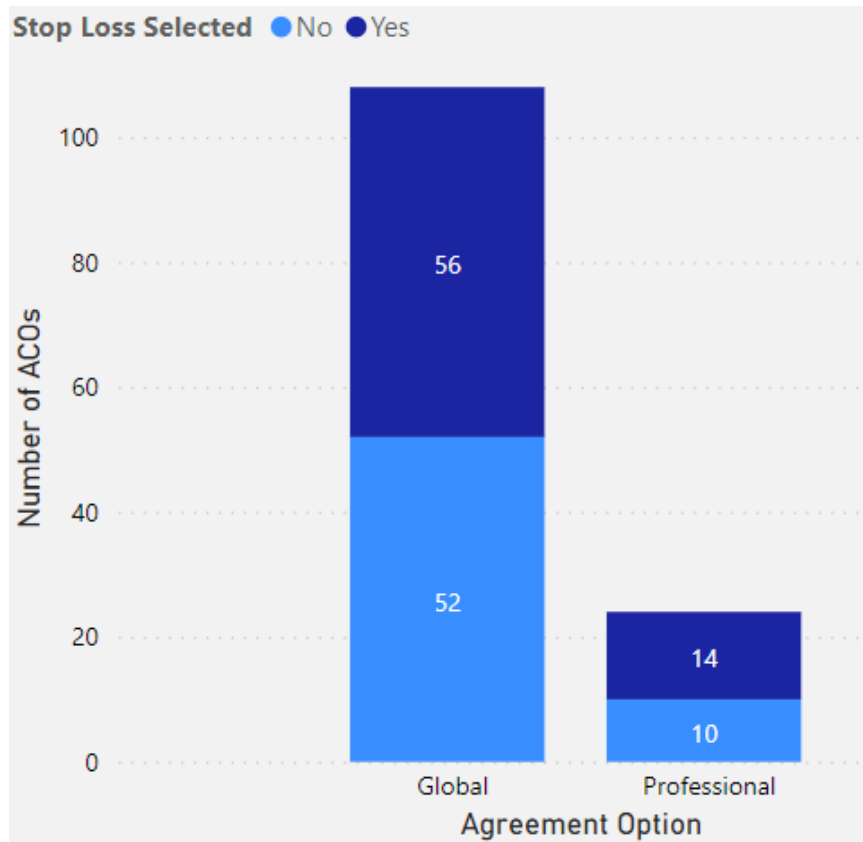


77% of ACOs elected primary care capitation, of which about two thirds elected the Advanced Payment Option

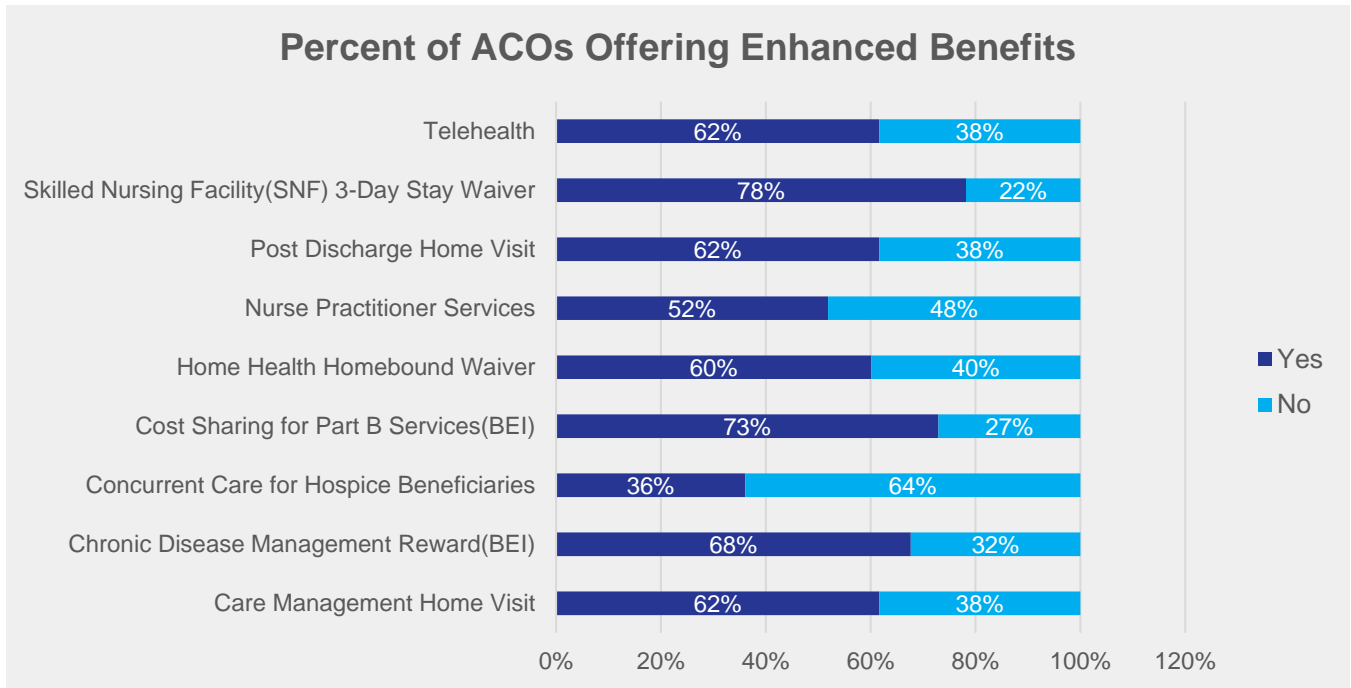
ACO Distribution by Capitation Selection



A little more than half of the ACOs adopted CMS's stop loss coverage



Skilled nursing facility, 3- day stay waiver is the most popular benefit enhancement offered by REACH ACOs, followed by cost sharing for part b services and chronic disease management rewards



Our statistics and observations are based on the preview data released by CMS. For more information on Wakely's insights on the ACO REACH program or Value-Based Payment Services, visit our website at <https://www.wakely.com/services/consulting/value-based-payment-services>

Please contact Ivy Dong at ivy.dong@wakely.com or Brad Heywood at brad.heywood@wakely.com with any questions or to follow up on any of the topics presented here.

OUR STORY

Five decades. Wakely began in 1969 and eventually evolved into several successful divisions. In 1999, the actuarial arm became the current-day Wakely Consulting Group, LLC, which specializes in providing actuarial expertise in the healthcare industry. Today, there are few healthcare topics our actuaries cannot tackle.

Wakely is now a subsidiary of Health Management Associates. HMA is an independent, national research and consulting firm specializing in publicly funded healthcare and human services policy, programs, financing, and evaluation. We serve government, public and private providers, health systems, health plans, community-based organizations, institutional investors, foundations, and associations. Every client matters. Every client gets our best. With more than 20 offices and over 400 multidisciplinary consultants coast to coast, our expertise, our services, and our team are always within client reach.

Broad healthcare knowledge. Wakely is experienced in all facets of the healthcare industry, from carriers to providers to governmental agencies. Our employees excel at providing solutions to parties across the spectrum.

Your advocate. Our actuarial experts and policy analysts continually monitor and analyze potential changes to inform our clients' strategies – and propel their success.

Our Vision: To partner with clients to drive business growth, accelerate success, and propel the health care industry forward.

Our Mission: We empower our unique team to serve as trusted advisors with a foundation of robust data, advanced analytics, and a comprehensive understanding of the health care industry.

We go beyond the numbers

Learn more about Wakely Consulting Group at www.wakely.com