

IAC DATA INSIGHTS

Variation in Out-of-Network in Medicare ACOs

Effective referral management is an important ACO competency. Referring patients to affiliated ACO clinicians helps ensure clinicians have access to the patient’s most recent clinical information, reduces duplicative or unnecessary services, facilitates timely handoffs across care teams and. Managing care within the ACO provider network has the potential to improve performance in both value-based and traditional fee-for-service contracts. This analysis uses our 100% sample of Medicare claims data to analyze rates of out-of-network utilization for both primary care and specialist services.

Out-of-network utilization varies based on the geographic market and network structure of each ACOs. In order to make reasonable comparisons across similar ACOs we split all 2019 MSSP ACOs into four categories as shown in Exhibit 1.

Exhibit 1

ACO Group	Number	Percent PCP	Percent with Hospital	Average Beneficiaries	Percent in AAPM
1) Primary Care Focused	127	67% - 100%	5%	11,363	35%
2) Primary Care Oriented	58	50% - 66%	30%	16,403	18%
3) Specialist Oriented	174	34% - 49%	69%	24,379	25%
4) Specialist Focused	155	0% - 33%	76%	25,222	27%

Note: Percent PCP is primary care physicians as a share of total physicians. AAPM is advanced alternative payment model.

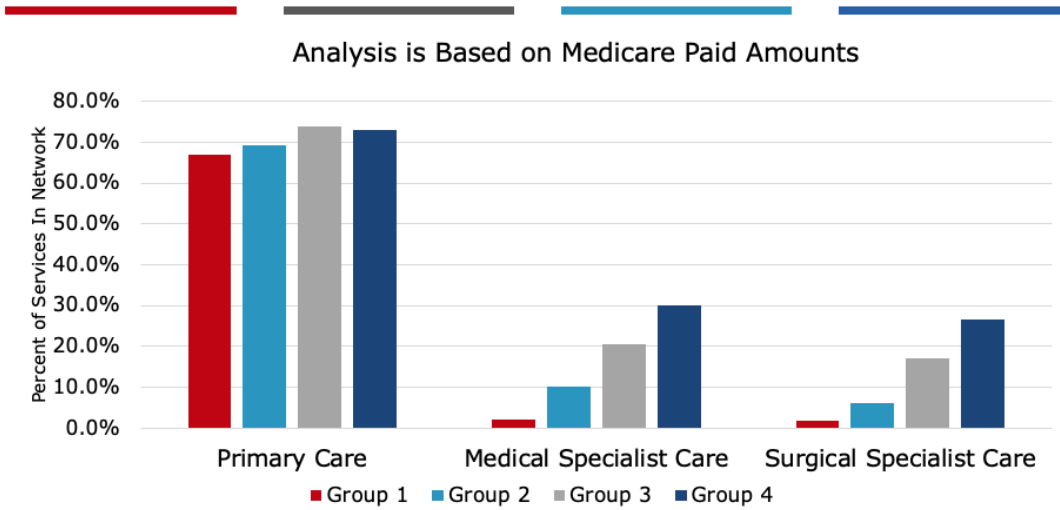
The proportion of Medicare primary care services provided to ACO beneficiaries by ACO physicians is high ranging from 67% to 74% on average depending on the ACO group (**Exhibit 2**). However, the proportion of in-network specialist care is much lower ranging from around 2% for primary care focused groups to about 30% for specialist focused groups.

The distribution of in-network primary care services across all ACOs is relatively consistent; 90% of ACOs have in-network primary care utilization between 57% and 88% (**Exhibit 3**). In contrast there is much more variation in the in-network specialist utilization across all ACOs. **Exhibit 4** shows that the highest levels (95th percentile) of in-network use is about 60% for specialist focused ACOs and 50 percent for specialist-oriented ACOs. In contrast the highest level is 30% for primary-care oriented ACOs and less than 10 percent for primary-care focused ACOs. The implication of this analysis is that most ACOs must

work hard to develop collaborative relationships with efficient, high-quality specialists in their markets given the relatively low rates of in-network specialist use in the MSSP.

Exhibit 2

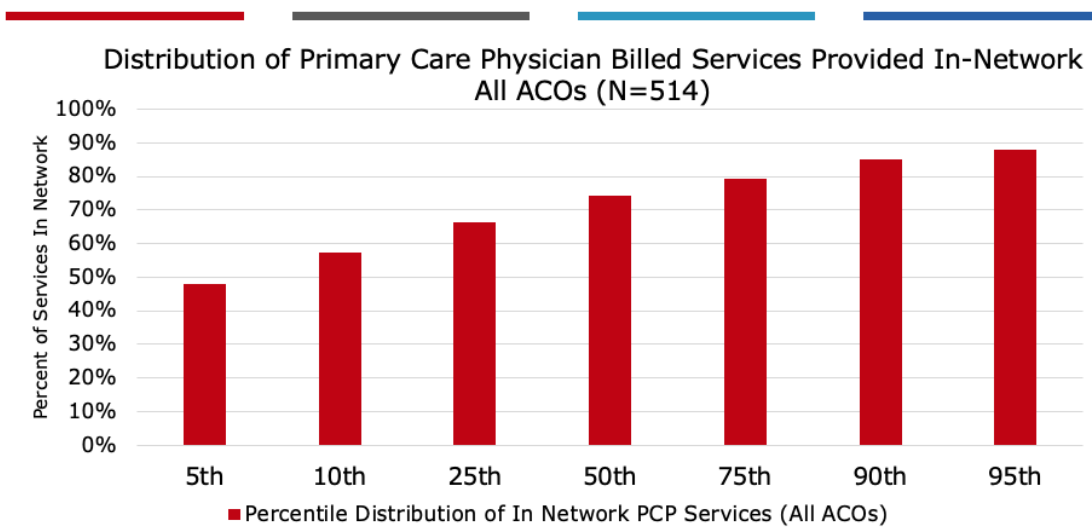
Proportion of ACO Beneficiary Care Provided by ACO Physicians



Source: Institute for Accountable Care analysis of 2019 Medicare Claims (100% file)

Exhibit 3

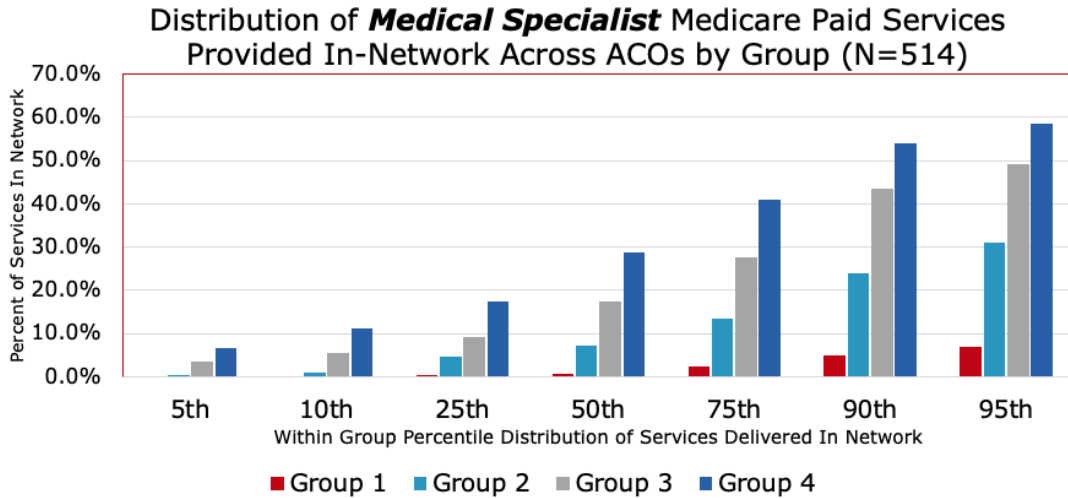
Proportion of ACO Beneficiary Care Provided by ACO Physicians



Source: Institute for Accountable Care analysis of 2019 Medicare Claims (100% file)

Exhibit 4

Proportion of ACO Beneficiary Care Provided by ACO Physicians



Source: Institute for Accountable Care analysis of 2019 Medicare Claims (100% file)

If you would like more detailed information about in- and out-of-network utilization of specialist care, please contact the Institute at analytics@institute4ac.org