

Medicare ACO Spending Patterns: Replication and Extension

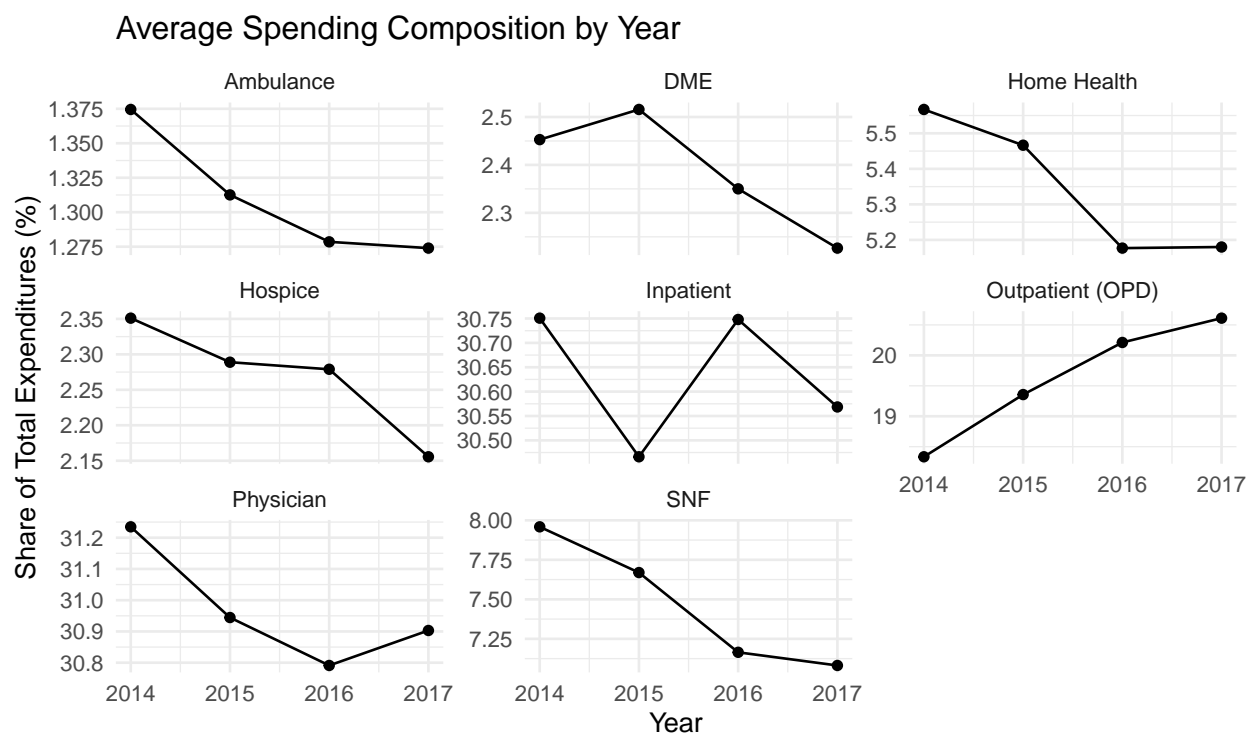
Executive Summary

Question: Do ACOs that achieve shared savings reallocate spending away from inpatient and post-acute institutional care toward physician/outpatient services?

Answer: Yes. In 2014–2017 MSSP data, inpatient and SNF shares are consistently and negatively associated with savings; physician share is small positive and not reliably significant. Results mirror the published study and are robust to clustered SEs and reduced specifications addressing multicollinearity.

Data: Medicare Shared Savings Program (MSSP) PUFs, 2014–2017. Unit = ACO-year.

Methods: Fixed-effects (ACO & year) linear model of savings rate and fixed-effects logit for achieving savings; ACO-clustered SEs.



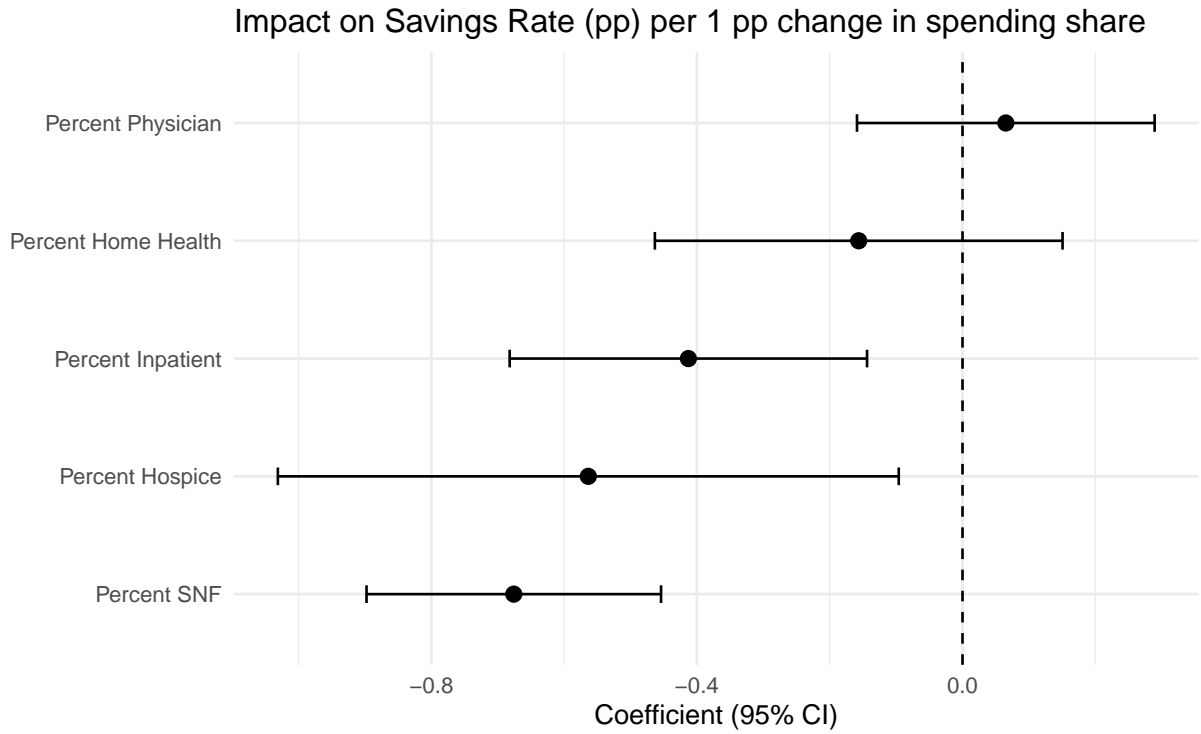
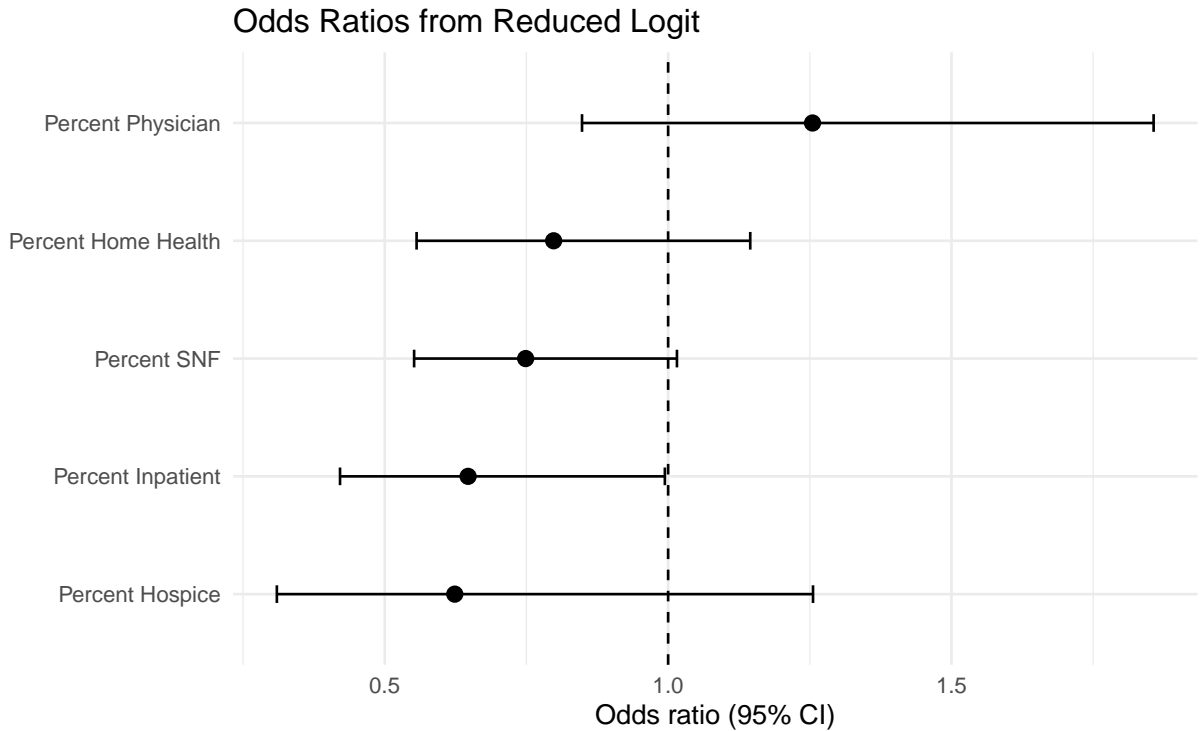


Table 1: Odds of achieving savings per 1 pp change in spending share

Predictor	Odds ratio	95% LCL	95% UCL
Percent Inpatient	0.647	0.421	0.994
Percent Hospice	0.624	0.310	1.256
Percent SNF	0.749	0.552	1.016
Percent Physician	1.255	0.848	1.857
Percent Home Health	0.798	0.556	1.145



Results & Interpretation

The fixed-effects regressions indicate that ACOs achieving higher shared savings allocate less of total spending to inpatient and skilled nursing facility (SNF) care. These coefficients are negative and statistically meaningful across specifications. Home health shows a smaller negative association. Physician spending is modestly positive and generally not significant, consistent with strengthened outpatient management but not a primary driver of savings. Fixed-effects logits confirm that higher inpatient and SNF shares reduce the odds of saving; the physician coefficient is positive but not reliably significant.

Practically, programs that prevent avoidable inpatient admissions, reduce SNF length of stay, and reinforce physician-directed outpatient care are most closely associated with MSSP savings. The replicated direction/magnitude of effects closely tracks the published findings using a later time window, suggesting the pattern is persistent.