

FINANCIAL ANALYSIS REPORT

ACO REACH – Financial Impact

If you participate in the ACO REACH Model, your beneficiaries are still enrolled in original Medicare with the same rights and benefits as before, like the Medicare Shared Savings Program (MSSP)

Aligning incentives with value created for Medicare patients

Although many primary care providers (PCPs) invest significant amounts of their time and resources in community-based care management and coordination for their patients — including underserved communities — it's insurers who are most likely to profit from the value their work creates.

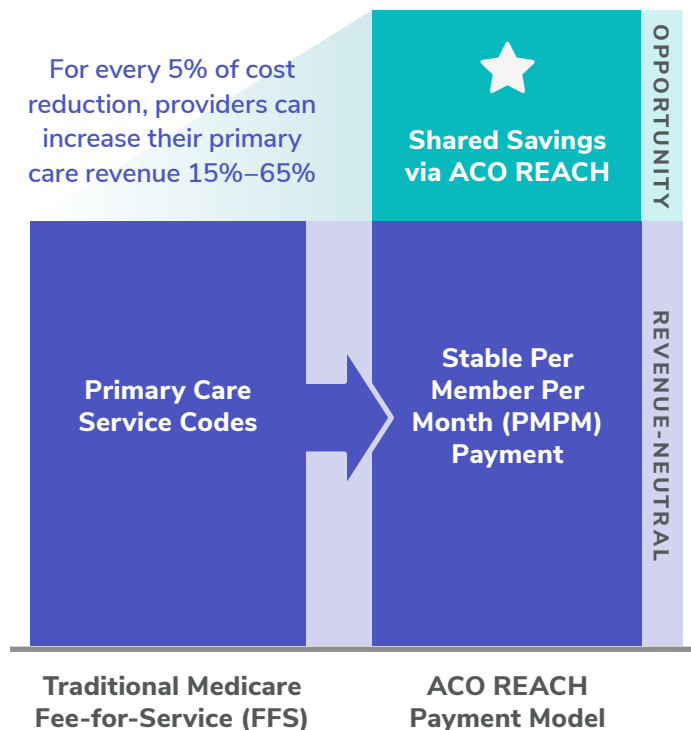
Medicare's Accountable Care Organization Realizing Equity, Access, and Community Health (ACO REACH) Model provides an opportunity for PCPs to maximize their earnings by effectively managing care for Medicare patients. PCPs can use these funds to reinvest in their staff, their practices, and their patients.

ACO REACH provides an alternative payment model with two key features:

- + **Revenue Stability:** fixed monthly payments for every Medicare patient to whom you provide primary care services.
- + **Shared Savings:** annual payments for savings from managing the Total Cost of Care for Medicare patients lower than a benchmark.

Additional (i.e., non-primary care) procedures continue to be paid on a fee-for-service basis. For more information, [see our guide](#) on what codes are included in the fixed monthly payments.

HOW IT WORKS



Reduce uncertainty

Eliminate cash flow unpredictability with fixed monthly payments

Focus on outcomes

Deliver care at the right time to the patients who need it most



Increase revenue

Earn shared savings and reinvest earnings into your patients and practice

Eliminate waste

Reduce unnecessary, high-cost utilization

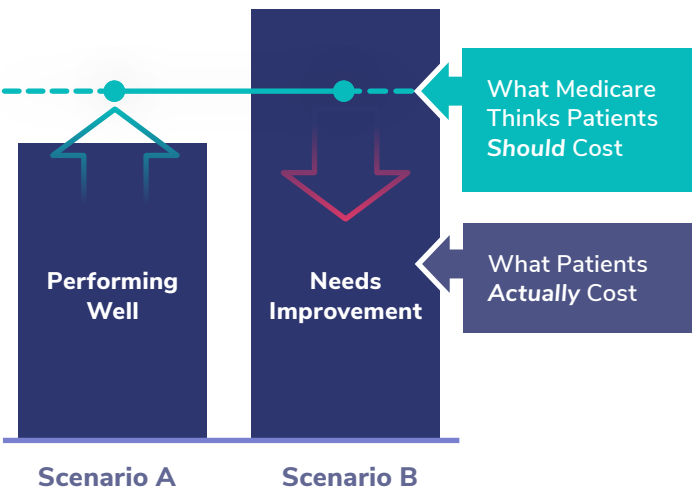
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Illustrative Case Study – Dr. Ruiz

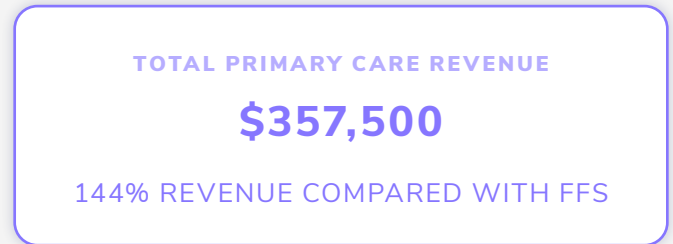
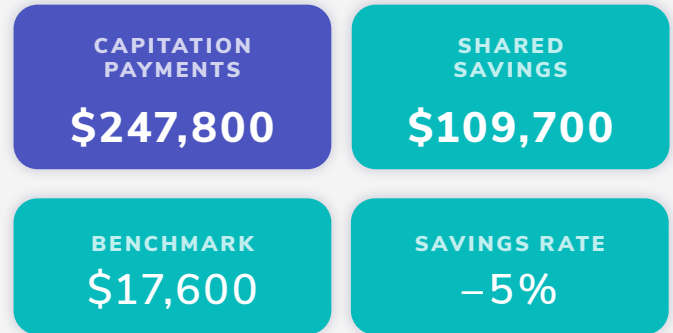
Let's take a closer look at the potential financial impact of ACO REACH on Dr. Ruiz's primary care practice, which currently serves **500 Traditional Medicare patients¹**



Revenue Source	Traditional Medicare FFS	ACO REACH	Financial Impact
Billed E&M Codes	Billed FFS (volume-based, \$ fluctuates every month)	\$20,700 per month	Revenue-neutral with stable cash flow
Shared Savings ²	N/A	Paid based on performance vs. benchmark	Financial opportunity



RESULTS WITH ACO REACH³



Savings Rate: Reduced TCOC	Medical-Loss Ratio (MLR)	Total Earning Opportunity
-2%	98%	+\$43,900 / yr
-3.5%	96.5%	+\$76,800 / yr
-5%	95%	+\$109,700 / yr

1 Dr. Ruiz is not a real physician, and the data shown in this example is a representation of the ACO REACH model.
 2 Shared Savings from managing Total Cost of Care (TCOC) of patients. Beyond cash flow stability, the financial opportunity of ACO REACH depends on outperforming a TCOC benchmark, which is what Medicare thinks care for patients should cost. Beating this benchmark would result in shared savings — and more revenue — for Dr. Ruiz's practice.
 3 Calculations are shown for billed E&M codes and ACO REACH shared savings only. Fee-for-service revenue generated from non-primary care codes will remain unchanged in ACO REACH, and so is not shown here.