JOURNEY TO THE BEST CARE

AMERICA'S PHYSICIAN GROUPS

HOW PHYSICIAN GROUPS ACHIEVE BETTER HEALTH OUTCOMES FOR MEDICARE ADVANTAGE ENROLLEES

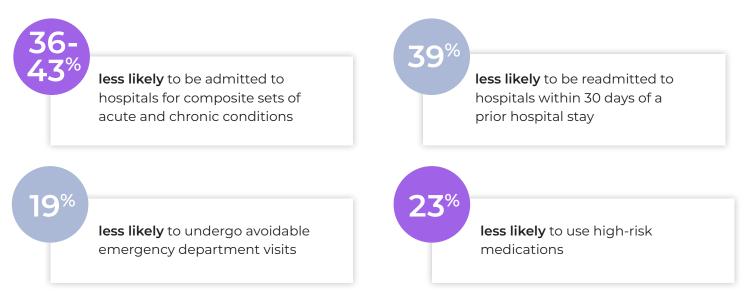


Prior studies have shown how superior patient care practices adopted by physician groups — all working under two-sided risk arrangements in Medicare Advantage (MA) — help their MA patients achieve improved health outcomes.^{1,2} How do these outcomes compare to those of the traditional Medicare patients cared for by these same physician groups?



Care outcomes for the groups' MA patients cared for in two-sided risk arrangements were far better than those for traditional Medicare patients across 16 of 20 measures.³ The results suggest that operating in "At-Risk MA" affords extra resources for physician groups to undertake preventive care, intensive case management, and other strategies that improve overall care delivery for older adult populations.

As a result, compared to the traditional Medicare patients cared for by these physician groups, the MA patients they cared for were:



¹ Cohen KR, Vabson B, Podulka J, et al, Medicare Risk Arrangement and Use and Outcomes Among Physician Groups. JAMA Netw Open. 2025; 8(1):e2456074. 10.1001/jamanetworkopen.2024.56074

² Vabson B, Cohen K, Ameli O, et al. Potential spillover effects on traditional Medicare when physicians bear Medicare Advantage risk. Am J Manag Care. Published online February 26, 2025. doi:10.37765/ajmc.2025.89686.

³ Cohen K, Vabson B, Podulka J, et al. Health outcomes under full-risk Medicare Advantage vs traditional Medicare. Am J Manag Care. Published online May 9, 2025. doi:10.37765/ajmc.2025.89740

THE STUDY

HOW PHYSICIAN GROUPS ACHIEVE BETTER HEALTH OUTCOMES FOR MEDICARE ADVANTAGE ENROLLEES

Researchers first identified 17 large physician organizations — all members of America's Physician Groups — that had full two-sided risk arrangements with Medicare Advantage plans. The 17 groups included more than 15,000 physicians and contracted with 35 different MA health insurers. The researchers then identified two cohorts of these groups' Medicare patients: those enrolled in MA and cared for under full-risk arrangements and those in traditional Medicare, both for the pre-pandemic years of 2016- 2019. The total sample was equivalent to nearly 6.6 million patient-years and the average age was 73.

The researchers then compared the two groups of patients based on 20 measures of quality and efficiency across four domains of care: acute hospital care, avoidance of emergency department use, avoidance of disease-specific admissions for such conditions as diabetes and heart failure, and outpatient care.

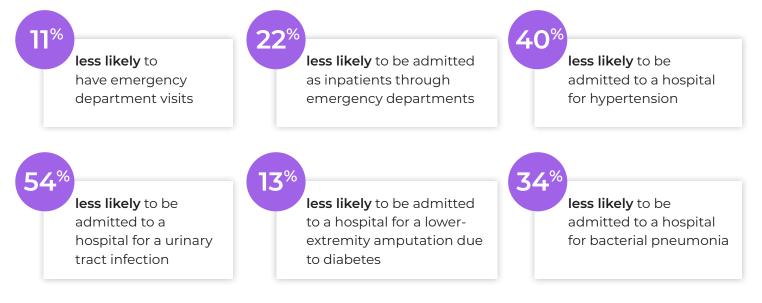
To adjust for differences in the mix of patients, results were adjusted for age, gender, race, and ethnicity, as well as for differences in MA coding intensity between the two groups.

THE RESULTS

HOW PHYSICIAN GROUPS ACHIEVE BETTER HEALTH OUTCOMES FOR MEDICARE ADVANTAGE ENROLLEES

- The study showed that, in 16 of 20 measures, the outcomes achieved for the Medicare Advantage patients cared for under full-risk Medicare Advantage were superior to those of traditional Medicare (see below). For 4 of the 20 measures, the outcomes were roughly the same.
- The superior outcomes signified both higher care quality and efficiency, in that they demonstrated better use of health care resources, and, in effect, more value for the money spent on health care (although the study did not measure actual costs of care).
- In one anomalous result, the study found that the MA patients were slightly less likely to have office visits than the traditional Medicare patients. It is unclear why, but it may be because MA offers services that substitute for office visits and are not captured in Medicare claims, such as care management and disease management encounters.

Compared to the traditional Medicare patients, the MA patients in the study were:



The traditional Medicare patients fared roughly the same or better on these measures, for unknown reasons:

more likely to be adherent to statin drugs compared to MA

6%

more likely to be adherent to medications for inhibiting the renin angiotensin system, such as ACE inhibitors departments Traditional Medicare patients were roughly **as likely** as MA patients to be adherent to diabetes medications

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WHAT THE RESULTS MEAN

HOW PHYSICIAN GROUPS ACHIEVE BETTER HEALTH OUTCOMES FOR MEDICARE ADVANTAGE ENROLLEES

What could explain the finding that Medicare Advantage enrollees cared for by physician groups with expertise in At-Risk MA saw superior outcomes compared to these groups' traditional Medicare patients?



Physicians operating in two-sided risk arrangements in MA adopt advanced care practices to keep their MA patients as healthy as possible and out of hospitals (see more detail below). These care practices, largely delivered in the ambulatory setting and through primary care, are especially effective in reducing unnecessary emergency department visits, hospitalizations, and readmissions for multiple potentially costly chronic conditions.

Physician practices in full risk relationships with MA plans can lose money if patients undergo costly care or achieve poor outcomes, so they have incentives to keep patients healthy. Due to payments earned through such MA features as risk adjustment, these practices have more resources to devote to patient care. These incentives and resources help them to focus more on preventive care; use more evidencebased medicine to drive care decisions; selectively refer patients to highperforming specialists and facilities; and reduce the provision of low-value care that could earn money for practices but could also be wasted on or even harm patients

Practices in At-Risk MA also adopt capabilities and infrastructure, such as population risk stratification, provider performance feedback, intensive case management, and support services such as in behavioral health, pharmacy, disease management, and social worker assistance. All of these also help keep patients healthy and out of the hospital

Not all these capabilities that practices adopt to thrive in At-risk MA are employed on behalf of traditional Medicare patients, but some are, presumably to their benefit as well. Without this "spillover" effect, it is likely that the outcomes gaps between MA and traditional Medicare patients would be even worse

About APG

APG is a national organization of primary care and multispecialty medical groups that take accountability for the quality and cost of health care. Our approximately 360 physician groups comprise 170,000 physicians, as well as thousands of other clinicians, providing care to nearly 90 million patients, including about 1 in 3 Medicare Advantage enrollees.

APG's motto, 'Taking Responsibility or America's Health', represents our members' commitment to clinically integrated, coordinated, value-based health care in which physician groups are accountable for the quality and cost of patient care. Visit us at <u>www.apg.org</u>.