

JOURNEY TO THE BEST CARE



“SPILLOVER” EFFECTS FROM MEDICARE ADVANTAGE TO MEDICARE



A prior study¹ in this series showed how Medicare Advantage (MA) patients' health can turn out differently — and better — depending on how MA plans paid these patients' physicians. But who else may benefit from the capabilities of physician groups operating under two-sided risk payment arrangements in Medicare Advantage?



Enrollees in the traditional Medicare program also benefit. A new study² shows that the superior patient care practices adopted by physicians working under two-sided MA risk arrangements “spill over” to help their traditional Medicare patients — so that even these individuals who aren't enrolled in MA achieve better health outcomes as well.

As a result, the traditional Medicare patients cared for by these physicians were:

82%

more likely to have annual wellness visits with their physicians

UP TO
21%

less likely to use emergency departments

9-
18%

less likely to be admitted to inpatient hospitals for chronic conditions such as heart failure, chronic obstructive pulmonary disease, urinary tract infections, and bacterial pneumonia

9-
13%

more likely to be adherent to their medications for hypertension, diabetes, and high cholesterol

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.

THE STUDY



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1

Researchers first identified 9 large physician organizations — all members of America’s Physician Groups — with at least half of their Medicare Advantage patients being cared for under two-sided risk contracts. In fact, as it turned out, 71% of these MA enrollees were cared for under two-sided risk arrangements.

2

The researchers then identified the traditional Medicare enrollees who were also being cared for by these same physician groups and their more than 5,000 primary care physicians. These patients were called the “high risk exposure” traditional Medicare patients. The sample size was the equivalent of ~1.4 million “patient-years,” and the average age was 73.

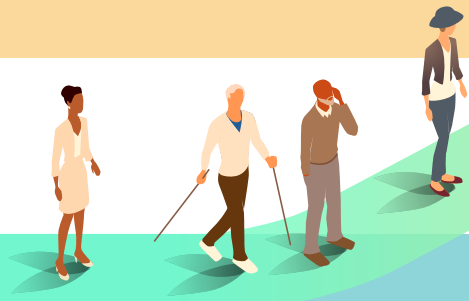
3

The researchers then identified a random sample of traditional Medicare patients who were being cared for by all other physicians who typically care for far fewer if any patients through two-sided risk arrangements in MA. These patients were called “low risk exposure patients” [~21 million patient-years; average age 72].

4

The researchers then compared the care provided to the two groups between 2016 and 2019, adjusting for various factors including age, sex, and health conditions.

THE RESULTS



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- The study showed a clear link between (1) the fact that many traditional Medicare patients were cared for by physician groups heavily engaged in two-sided risk arrangements in Medicare Advantage and (2) the superior health care outcomes that these patients achieved, compared to the other traditional Medicare patients cared for by physicians operating with much lower levels of MA risk.
- These outcomes were captured in 26 measures that fell into four domains: avoidance of disease-specific admissions, outpatient care, emergency department (ED) care, and inpatient care.
- In 22 of 26 measures, traditional Medicare beneficiaries cared for by physicians who also had high proportions of MA patients in two-sided risk arrangements saw better outcomes than the comparison group.
- For four of the 26 measures, the outcomes for the two groups – traditional Medicare beneficiaries cared for by physicians engaged in high versus low levels of two-sided risk – were essentially 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).

The results for the high-risk exposure traditional Medicare patients included these:

10%

less likely to undergo acute hospital inpatient admissions, one of the costliest forms of health care

11%

less likely to undergo admission to hospitals for preventable episodes of chronic illness

12%

less likely to be readmitted to hospitals within 30 days of a previous hospital stay

12%

less likely to be prescribed a high-risk medication that could be dangerous if used incorrectly

WHAT THE RESULTS MEAN



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Q

What could explain the finding that the “high risk exposure” traditional Medicare patients in this study experienced better health outcomes compared to the “low risk exposure” group of traditional Medicare patients?

A

Physicians operating in two-sided risk arrangements in MA adopt advanced care practices designed to keep their MA patients as healthy as possible and out of hospitals (see more detail below). These special care practices may then be extended to benefit other patients, including those in the traditional Medicare program. In effect, the benefits of better care “spill over” to these other patients.

1

There are distinct differences between physician practices operating in two-sided risk arrangements in Medicare Advantage versus those operating in the conventional fee-for-service payment system that characterizes traditional Medicare.

2

These practices can lose money if patients undergo costly care and achieve worse health outcomes, so they have incentives to keep patients as healthy as possible. Due to extra payments earned through MA program features, including payments tailored to patients' health risks, these practices have more resources to devote to patient care.

3

These incentives and resources help them to focus more on preventive care; use more evidence-based medicine to drive care decisions; selectively refer patients to high-performing 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.

4

Because most physicians don't practice differently based on their patients' insurance status, the techniques that they use to both maintain their MA patients' health and manage their care efficiently ultimately benefit their other Medicare patients as well.

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 for 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 www.apg.org.