

AMERICA'S PHYSICIAN GROUPS

JOURNEY TO THE BEST CARE: PART I



Q

How can patients' health care journeys turn out differently based on the relationship between their doctors' group and patients' Medicare Advantage plans?

A

A newly published study¹ shows that these accountable arrangements between MA plans and physician groups yield superior results for patients. Comparing MA patients receiving care from APG groups under two different arrangements, researchers found that patients in accountable care arrangements were:

8.7%

less likely to undergo acute hospital admissions overall

8.7%

less likely to visit hospital emergency departments

15%

less likely to have use of high-risk medications – drugs that can cause serious adverse effects or death if used incorrectly or in combination with other medications

8-22%

less likely to be admitted to the hospital for chronic conditions, such as diabetes, high blood pressure, chronic obstructive pulmonary disease, and heart failure

¹ Cohen K. et al, Medicare Risk Arrangement and Use and Outcomes Among Physician Groups. JAMA Network Open. 2025; 8(1):e2456074. January 23, 2025.

JOURNEY TO THE BEST CARE: PART II

The Background

More than half of all Medicare beneficiaries—more than 34 million people—are enrolled today in Medicare Advantage plans.² Here's how plan arrangements work.

1

MA plans obtain payment from the federal government to provide core Medicare benefits to each MA enrollee – specifically, those benefits available under Medicare Part A, mainly for hospital inpatient care, and Part B, mainly for physician and other outpatient care.

2

MA plans themselves don't provide care to Medicare beneficiaries; instead, out of the proceeds of what they are paid by the government, they pay physician groups, hospitals, and others that provide the care.

3

MA plans pay providers in different ways, however. Most pay them according to pre-agreed rates for each service provided to patients. But some physician groups and other providers form closer partnerships with MA plans to shape the care and services that they will provide to enrollees.

4

In these arrangements, once the MA plans obtain payments from the federal government, the plans hand over most of the money to these physician groups, enabling them to decide how best to deliver care.

5

These arrangements mean that the physician groups are “at risk” for the quality and cost of the care they provide. They have the opportunity to earn profits while also customizing care to best meet their patients' needs.

6

By contrast, they can lose money — and their partnerships with MA plans — if they don't care well for their patients or don't manage costs by keeping patients as healthy as possible. Thus, they are accountable for the quality and cost of care.

² <https://data.cms.gov/summary-statistics-on-beneficiary-enrollment/medicare-and-medicaid-reports/medicare-monthly-enrollment>

JOURNEY TO THE BEST CARE: PART III

The Study

1

Researchers examined data involving the care of more than 1 million patients annually over three years, who were cared for by 17 large physician groups with more than 15,000 physicians.

2

These physician groups — all of them members of America's Physician Groups — contracted with 35 different MA health insurance plans.

3

About 4 in 10 of the patients, who had an average age of about 74, were cared for by physician groups that were paid a lump sum annually to care for each MA patient and thus were at risk — or accountable — for the quality and cost of these MA patients' care.

4

The remaining 6 in 10 patients, who had an average age of about 72, were enrolled in MA plans that paid these physician groups on a conventional fee-for-service basis, reimbursing them for the individual services that they provided rather than through the lump sum arrangement.

5

Researchers examined the care provided to these two different groups of patients and assessed it according to 20 measures across 4 major categories: hospital inpatient care; care received in hospital emergency departments; avoiding hospitalization due to various diseases; and outpatient care, such as regular doctors' visits to ensure that patients are taking needed medication.

6

Avoiding costly and unnecessary hospitalization and ED visits — particularly for patients with chronic conditions such as diabetes, high blood pressure, and heart failure — is a sign that patients are being well cared for by their primary care doctors and other clinicians.

The Results

➤ The researchers' analysis showed that MA patients cared for under the accountable payment arrangements with physicians had better outcomes in 18 of the 20 measures after adjusting for patients' characteristics, such as age. They had between 8 and 22 percent fewer avoidable hospital admissions for a range of chronic diseases than patients in the comparison group.

➤ The MA patients cared for physicians in fee-for-service Medicare fared better than those in accountable relationships in just one measure: being adherent to their diabetes medications. For another measure, having diabetes-related amputations, there was equivalency between the two groups.

JOURNEY TO THE BEST CARE: PART IV

The Bottom Line

The patients with accountable physician care were:

8.7%

less likely to be admitted as an inpatient from a hospital emergency department

13%

less likely to be admitted to a hospital within 30 days of being discharged from a prior hospital stay

Q Why did the MA patients experiencing the more accountable physician care see these more favorable health care outcomes?

A Physician groups operating in these models are likely to have the resources to focus on preventive care; monitor patients' conditions/care needs closely and coordinate across settings; have mental/behavioral health care specialists and pharmacists on their care teams; and work with social workers, community health workers and others to address patients' non-medical care needs, such as food and transportation. These groups can use resources that they don't spend on unnecessary hospital stays or ED use, allowing funding of far more robust systems of primary care.

These groups can use the resources that they don't spend on unnecessary hospital stays or ED use to create far more robust systems of primary care and take better care of patients.

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.