

WHITEPAPER

MSSP Program Insights 2024 Financial and Quality Results

Data and Statistical Analysis of 2024 Financial and Quality Results

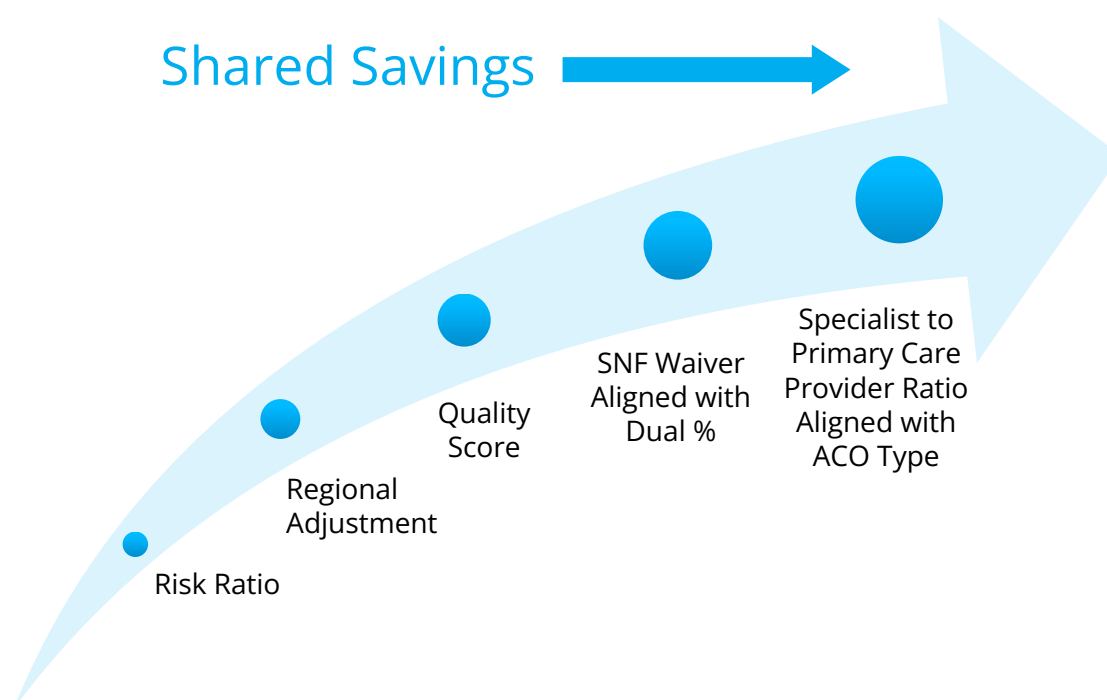
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EXECUTIVE SUMMARY

The Medicare Shared Savings Program achieved record performance in 2024, generating more than \$2.5 billion in net savings to Medicare—the largest in the program’s history. Of the 476 Accountable Care Organizations (ACOs) participating, 75 percent earned shared savings payments, reflecting continued strong engagement across 10.3 million beneficiaries. Some key data relationships and statistical findings derived from the 2024 Performance Year Financial and Quality Results Public Use File (PUF) released by the Centers for Medicare & Medicaid Services on September 29, 2025 are as follows:

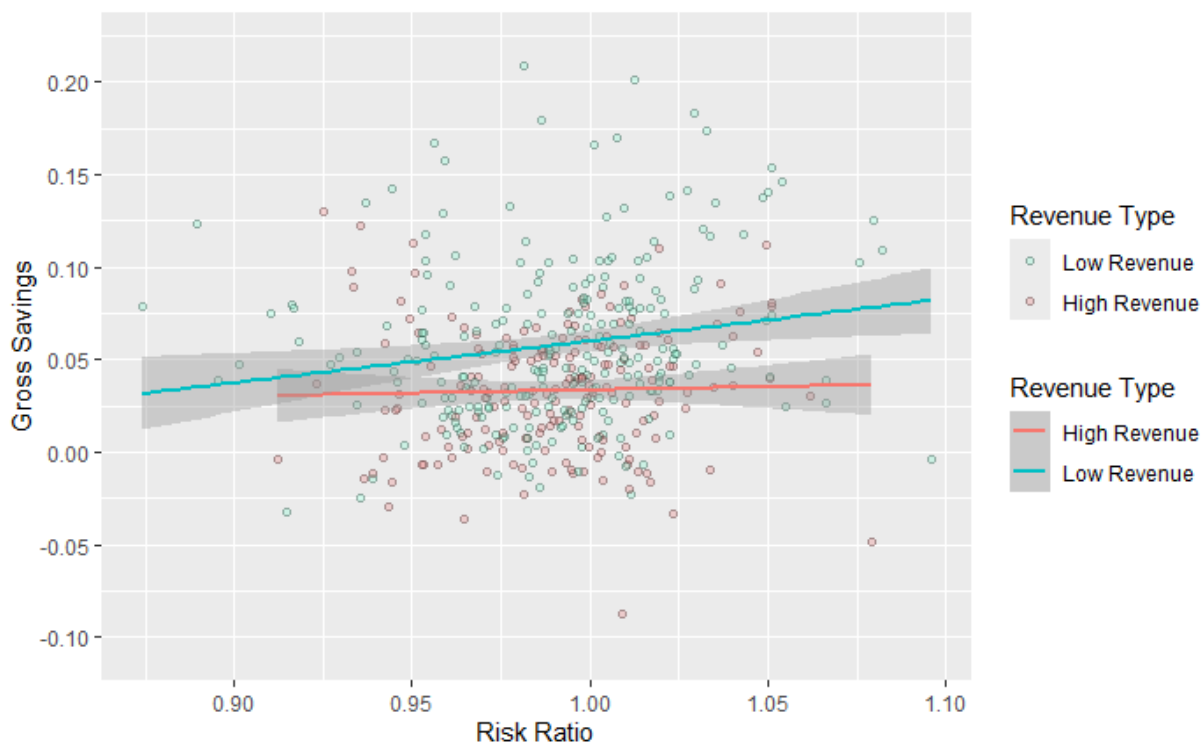


RISK RATIO – REVENUE TYPE

Analysis of the relationship between gross savings and risk ratio reveals a clear distinction between low-revenue and high-revenue ACOs. Based on the fitted linear regression lines, low-revenue ACOs demonstrate a much stronger positive correlation between risk ratio and gross savings, as evidenced by a steeper upward slope relative to their high-revenue counterparts.

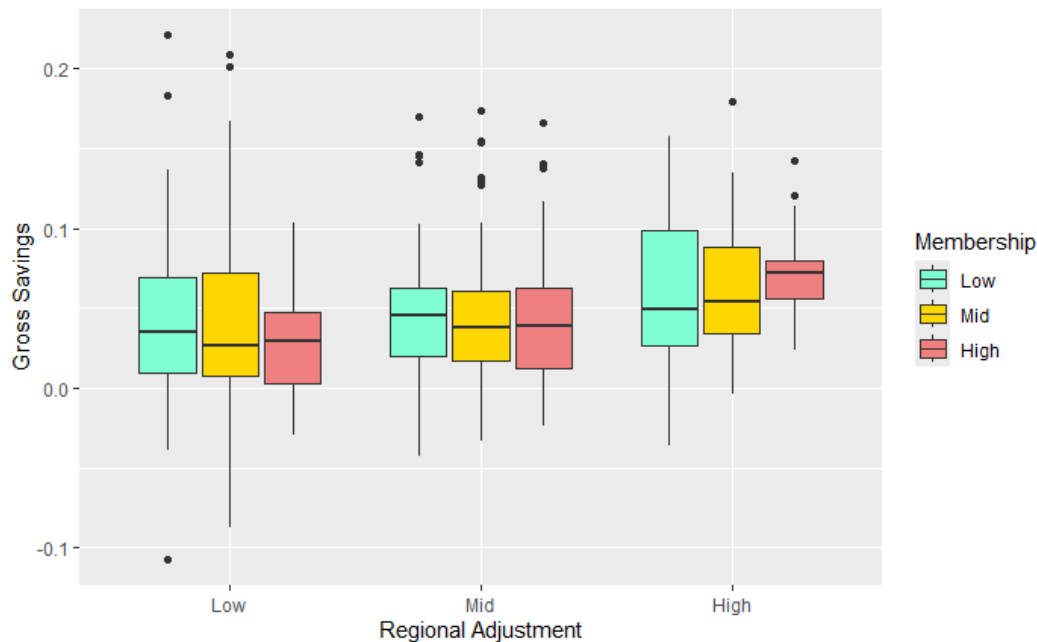
This finding suggests that as beneficiary risk levels increase, low-revenue ACOs—typically physician-led or smaller organizations—are more effective at managing the care of higher risk members resulting in proportionately greater savings. In contrast, high-revenue ACOs (often hospital-based) exhibit a flatter relationship, indicating that their gross savings are less sensitive to changes in risk mix.

Overall, the results highlight how organizational structure and revenue composition may influence an ACO's ability to manage and benefit from risk, with low-revenue entities demonstrating greater efficiency and responsiveness in generating savings relative to patient complexity.



GROSS SAVINGS VARIABILITY – REGIONAL ADJUSTMENT ANALYSIS

Analysis of the 2024 Medicare Shared Savings Program (MSSP) results highlights that ACOs with a positive regional adjustment are particularly well positioned to succeed. A favorable regional adjustment increases an ACO's benchmark relative to its historical expenditure, resulting in a more achievable target for generating savings. In addition, ACOs with larger assigned beneficiary populations demonstrate smaller variance in gross savings rates, as scale smooths fluctuations in utilization and cost and allows more predictable financial performance. Larger ACOs also typically possess more mature care coordination infrastructure and robust analytics capabilities, further stabilizing outcomes. Taken together, these factors suggest that ACOs combining favorable regional adjustments with sizable populations are better able to generate consistent savings, underscoring the importance of benchmark design, operational scale, and data-driven care management in driving MSSP success.



Bucket	Min Reg Adj	Max Reg Adj	Min Mem	Max Mem
Low	-\$898	\$90	2,647	9,505
Mid	\$91	\$293	9,536	21,249
High	\$294	\$965	21,249	328,733

QUALITY SCORE REVIEW

Analysis of the 2024 MSSP financial and quality results demonstrates that ACOs that continuously invest in improving the quality of care tend to achieve stronger financial performance. As shown in the table, average gross savings generally increase across higher quality score percentiles, with ACOs in the top decile achieving 6.9 percent in gross savings compared to 3.2 percent for those in the 10th percentile. This pattern suggests a positive relationship between quality performance and cost savings: ACOs that prioritize initiatives such as preventive care, care coordination, and adherence to evidence-based practices are more likely to generate meaningful savings within the MSSP framework. These results reinforce the value of ongoing quality improvement efforts as a core strategy for success in shared savings programs, highlighting that sustained investments in patient-centered care not only improve outcomes but also contribute to stronger financial performance.



Quality Score Percentile	Avg Gross Savings (%)
10%	3.2%
20%	4.1%
30%	5.6%
40%	3.8%
50%	4.1%
60%	5.2%
70%	4.6%
80%	5.0%
90%	4.9%
100%	6.9%

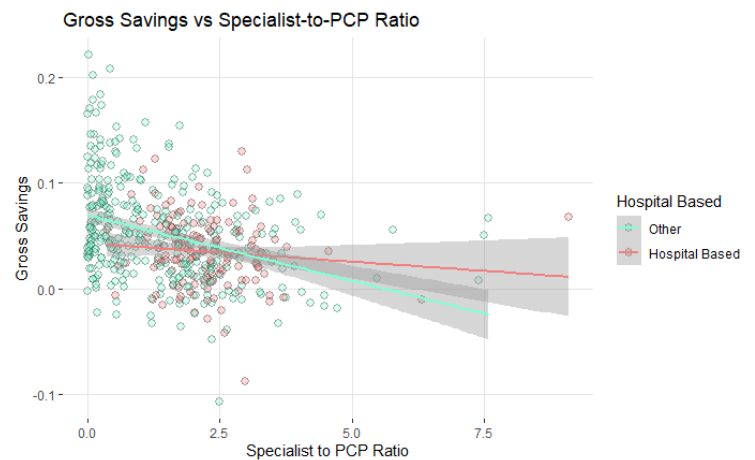
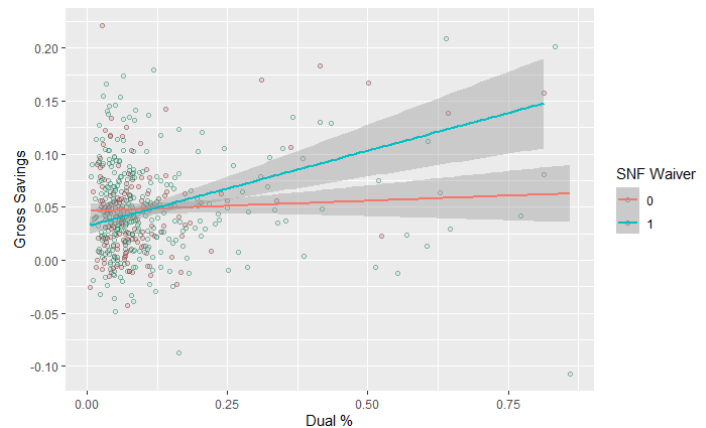
DUAL ELIGIBLE BENEFICIARIES – SNF WAIVER

The relationship between the proportion of dual-eligible beneficiaries in an ACO and gross savings suggests there is a positive correlation between gross savings and dual mix, especially for ACOs that have the SNF waiver. Based on the linear regression results, ACOs with the SNF waiver exhibit a steeper positive slope, indicating that as the share of dual beneficiaries increases, savings rise more sharply for these organizations.

In contrast, ACOs without the SNF waiver show a flatter relationship, suggesting that higher dual enrollment alone is less strongly associated with increased savings when the waiver is not in place. These findings imply that the SNF waiver provides ACOs with additional flexibility or mechanisms to manage high-risk, high-need populations, enabling them to achieve greater financial performance as the proportion of dual beneficiaries grows.

RATIO OF SPECIALIST TO PRIMARY CARE PROVIDER

This analysis compares gross savings performance against the specialist-to-PCP ratio, segmented by ACO type. ACOs were classified as hospital-based if their participant list included at least two hospitals, and as non-hospital-based otherwise.



The regression results and visual trends indicate that hospital-based ACOs experience smaller declines in savings as the specialist-to-PCP ratio increases, relative to non-hospital-based ACOs.

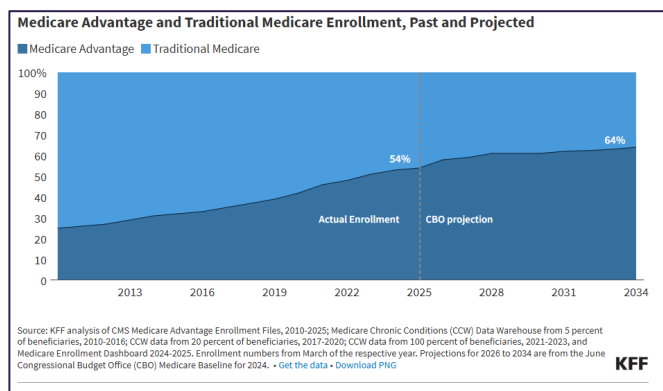
The regression line for hospital-based ACOs exhibits a flatter (less negative) slope, suggesting that their savings performance is less sensitive to higher concentrations of specialists. Conversely, non-hospital-based ACOs show a steeper negative correlation, implying that an imbalance toward specialists is more detrimental to their overall savings outcomes.

These results suggest that hospital-based organizations may benefit from greater integration and care management infrastructure, allowing them to absorb the cost pressures typically associated with higher specialist utilization.

For non-hospital-based ACOs, these findings highlight the importance of strengthening primary care engagement and aligning specialist networks through data-driven referral management, episode-based incentives, or collaborative care models. Hospital-based ACOs, while less exposed, may still find value in optimizing specialist efficiency and reinforcing outpatient coordination to sustain savings as specialist intensity grows.

FUTURE CONSIDERATIONS

As Medicare Advantage (MA) enrollment surpasses 54 percent of all eligible beneficiaries in 2025, ACOs are facing increasing pressure to compete for a shrinking pool of traditional Medicare beneficiaries eligible for attribution. The dominance of large MA insurers—combined with richer plan benefits and stronger patient engagement—has intensified competition for provider and patient alignment. While MA growth has moderated slightly, its continued expansion poses strategic challenges for ACOs, including smaller attribution bases, adverse risk selection, and reduced economies of scale. To remain competitive, ACOs must strengthen patient outreach, emphasize preventive and coordinated care, and differentiate their value relative to MA plans. Some organizations are pursuing hybrid strategies, partnering with MA plans or expanding into risk-based arrangements across payers to sustain growth. Ultimately, ACOs that adapt their attribution, engagement, and care management models will be best positioned to thrive amid the continued migration of beneficiaries into Medicare Advantage.



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ABOUT WAKELY

Founded in 1999, Wakely Consulting Group, an HMA Company, is well known for its top-tier healthcare actuarial consulting services. With nine locations nationwide, Wakely boasts deep expertise in Medicare Advantage, Medicaid managed care, risk adjustment and rate setting, market analyses, forecasting, and strategy development. The firm's actuaries bring extensive experience across all sectors of the healthcare industry, collaborating with payers, providers, and government agencies.

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