

## Medica Analysis Validates Accountable Care Organizations Impact Patient Cost and Engagement

ACOs are networks or teams of health care providers, such as clinics, hospitals, doctors and specialists that collaborate with Medica to make health care more efficient and improve the member experience. This integrated approach helps members receive the right care, in the right health care setting. Medica claims data, when integrated with care system data, helps health care providers identify patients with gaps in care.

An analysis of calendar year 2017 claims data from more than 500 employers validated the positive impact that our Accountable Care Organizations have on health care costs and member engagement rates for customers, members and provider partners.

Members who chose to enroll in ACO plans were compared to those who chose non-ACO plans. Overall, Medica ACO members outperformed non-ACO members in cost and engagement, even when adjusted for health risks. The results of our analysis found that efficient and frequent interventions by ACO care teams create savings in physician costs. Lower facility costs were driven by fewer inpatient stays, lower readmission rates and better care management and care coordination services used among the ACO population. And lower pharmacy costs resulted in fewer and lower cost prescriptions in the ACO population.

Other results of our analysis:

- Use of medical services in the ACO population compared to the non-ACO population was 15 percent lower for inpatient utilization, while emergency department and outpatient utilization were each 9 percent lower.
- Overall costs were 11 percent lower for the ACO population, driven largely by less need for medical interventions.
- ACO member costs were 4 percent lower for physician visits, 15 percent lower for facility (hospital and outpatient) services and 16 percent lower for prescription coverage, demonstrating that services provided by physicians and care teams in clinics in our ACOs are effective at decreasing needs for more costly and complex services delivered in facilities.
- The analysis also compared five high cost conditions: diabetes, pregnancy, joint degeneration, inflammatory bowel disease and depression. The average cost for those conditions was 8 percent to 26 percent lower in the ACO group.
- Members are highly satisfied with their ACO plans. When given the opportunity, 96% of members renew with their ACO.