



NEWS RELEASE

Three Quarters of ACOs in Premier Inc. Population Health Management Collaborative Achieve Savings for Medicare

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- In calendar year 2019, 75 percent of Premier member ACOs generated savings for Medicare and 44 percent performed well enough to qualify for shared savings.
- Results are significantly better than the national averages for comparable ACOs.
- PHMC members responsible for \$716 million in net Medicare savings over the last five years.

CHARLOTTE, N.C.--(BUSINESS WIRE)-- Three quarters (75 percent) of **Premier Population Health Management Collaborative** (PHMC) accountable care organizations (ACOs) participating in the Medicare Shared Savings Program (MSSP) earned savings for the government, according to **results** released by the Centers for Medicare & Medicaid Services (CMS) last week. Of those, 44 percent performed well enough to qualify for shared savings payments from Medicare.

These results outpace the national averages for comparable ACOs, which generated savings and shared savings at a rate of 70 percent and 40 percent, respectively. Additionally, PHMC MSSP ACOs participating in two-sided risk generated savings at a slightly higher rate when compared to all two-sided risk ACOs nationally (90.91 percent, compared to 90.71 percent).

In total, PHMC members have generated net savings of \$716 million over the course of five years, almost half of which (\$323.6 million) was generated in 2019 alone.

“Achieving success in Medicare ACO models is difficult work with complex variables at play, and PHMC ACO members are consistently proving that establishing a well-planned, value-based care delivery process and model



leads to success,” said Seth Edwards, Vice President of Strategy, Innovation and Population Health at Premier and the leader of the PHMC. “These results are a testament to the high-performance culture that the collaborative has helped hardwire into the DNA of these ACOs. We congratulate the PHMC members on their steadfast commitment and these impressive results. These shared savings will be critical to ongoing care redesign, particularly now that health systems are being tapped as first responders in the COVID-19 pandemic.”

A **recent survey** conducted by Premier found that providers participating in ACOs drew heavily on their population health capabilities to manage COVID-19 cases and prevent the spread of disease.

“PHMC members are true heroes of the pandemic, bringing all their sophisticated resources to bear to manage health and improve their communities,” said Edwards. “Their efforts should be recognized and rewarded. It should not be harder for these systems to achieve financial success in the MSSP, and health system ACOs should be **on a level playing field** with physician-led ACOs.”

Currently, physician-led ACOs are afforded more time in the Basic track and a lower overall exposure to payment risk, two significant advantages not afforded to health system ACOs.

“The goal of ACOs is to cost effectively manage and deliver appropriate care across settings – not prevent care in any specific setting,” continued Edwards. “ACOs that are incented to focus on one provider group’s success over another’s risk recreating the perverse incentives of fee-for-service, pitting providers against one another rather than encouraging cross-continuum collaboration.”

The PHMC includes approximately 450 hospitals and tens of thousands of clinicians across 80 markets working together to align, measure and improve population health. Many of these members participate in the highest risk bearing tracks within the Medicare ACO programs. Through the PHMC, leading health systems work together to share lessons learned, insights, data and best practices with each other. Their participation includes access to robust claims analytics and benchmarking capabilities that produce unblinded reports, allowing members to drill down and evaluate key internal and comparative performance trends, per capita costs and leakage; assess risk and gaps in care; and identify high-risk populations. Named Best in KLAS for **Value-Based Care Consulting** in 2016 and 2017 and **Best Overall in Healthcare Management Consulting** in 2018 and 2019, Premier partners with healthcare organizations pursuing ACOs in both government and commercial health plan sectors to build the capabilities needed for them to succeed in new value-based models.

Methodology

Reported results were compiled using the performance year 2019 and 2019A Shared Savings Program (SSP) Accountable Care Organizations (ACO) Public Use Files (PUFs) and internal Premier rosters for PHMC attendees. All PHMC MSSP participants are affiliated with a hospital or health system, and non-PHMC MSSP ACOs were identified

as “health system or hospital-affiliated” if they were designated as “high revenue” by CMS in the PUFs.

About Premier Inc.

Premier Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of more than 4,100 U.S. hospitals and health systems and approximately 200,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare. Please visit Premier’s news and investor sites on www.premierinc.com; as well as [Twitter](#), [Facebook](#), [LinkedIn](#), [YouTube](#), [Instagram](#) and [Premier’s blog](#) for more information about the company.

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