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Preliminary Savings Report for Colorado Managed Fee-for-Service (MFFS) Demonstration Period 1: Medicare- Medicaid Financial Alignment Initiative

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PRELIMINARY SAVINGS REPORT FOR COLORADO MANAGED FEE-FOR-SERVICE
(MFFS) DEMONSTRATION PERIOD 1: MEDICARE-MEDICAID FINANCIAL
ALIGNMENT INITIATIVE

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1. Introduction

The Accountable Care Collaborative: Medicare-Medicaid Program (ACC:MMP) is a statewide MFFS demonstration that began on September 1, 2014 and is scheduled to continue through December 2017. The demonstration is intended to coordinate medical care, behavioral health services, and long-term services and supports (LTSS) for Medicare-Medicaid enrollees.

The demonstration operates essentially as a special population focus within the State's existing Accountable Care Collaborative (ACC) program, which serves a large number of Medicaid-only beneficiaries. Upon enrolling in the ACC program, Medicare-Medicaid beneficiaries are enrolled automatically into the demonstration.

Individuals eligible for the demonstration include beneficiaries who are enrolled in Medicare Parts A and B and eligible for Part D, receive full Medicaid benefits under fee-for-service (FFS) arrangements, and have no other private or public health insurance. Medicare-Medicaid enrollees who are not eligible for the demonstration include those enrolled in a Medicare Advantage plan, the Program of All-Inclusive Care for the Elderly (PACE), the Denver Health Medicaid Choice Plan, or the Rocky Mountain Health Plan (the latter two are Medicaid managed care organizations operating in certain Colorado counties); and individuals who are residents of an Intermediate Care Facility for People with Intellectual Disabilities (MOU, 2014, pp. 8–9).

The ACC program has three major components: Regional Care Collaborative Organizations (RCCOs), which are consortia of local providers serving as care coordination organizations; Primary Care Medical Providers (PCMPs), who are primary care physicians providing enrollees with medical homes; and the Statewide Data and Analytics Contractor (SDAC), which provides data on enrollees' health status and utilization.

The ACC:MMP did not change enrollees' Medicare or Medicaid benefits. However, the demonstration created several new requirements for RCCOs that were intended to tailor the ACC to the needs of Medicare-Medicaid enrollees. Under the demonstration, RCCOs are required to: (1) develop a service coordination plan (SCP) for each enrollee that articulates individual health goals and provides information to support coordination across delivery systems and among the enrollee's providers; (2) enter into agreements with entities that manage long- LTSS and behavioral health services to coordinate care for enrollees and avoid duplication; (3) facilitate successful care transitions for enrollees discharged from hospitals; and (4) assess providers' capabilities to deliver disability-competent care and offer technical assistance to provider practices to meet these goals.

The State phased in enrollment of Medicare-Medicaid beneficiaries into the ACC program over a 9-month period, from September 2014 to May 2015, starting with individuals who had the least complex conditions and continuing through beneficiaries receiving waiver services, those receiving "high [need] waiver" services, and those in skilled nursing facilities (MOU, 2014, pp. 50–1). Upon enrollment, beneficiaries were attributed to the RCCO serving their geographic region. To identify a PCMP for attribution, the SDAC reviewed each enrollee's Medicare and Medicaid claims history from the previous 12 months to determine which medical

provider the enrollee had seen most frequently (MOU, 2014, p. 9). Beneficiaries may opt out or disenroll from the ACC program at any time (MOU, 2014, p. 48).

This report is the first savings report for the Colorado managed fee-for-service (MFFS) demonstration under the Medicare-Medicaid Financial Alignment Initiative. Colorado began enrollment on September 1, 2014, and this first report covers the 16-month period from September 1, 2014 through December 31, 2015. This is referred to as Colorado's Demonstration Period 1. There will be a savings report after each demonstration period.

The Medicare savings calculation results, and the Medicaid savings calculation results when they are available, will be shared with the Centers for Medicare & Medicaid Services (CMS), which will determine whether Colorado is eligible for a performance payment under the MFFS Financial Alignment Model.

The method used to perform the savings calculation in this report will be referred to as the "actuarial method," to distinguish it from the multivariate regression-based method that will be used to estimate the impact of the demonstration on quality and cost outcomes in the annual evaluation reports for the Colorado demonstration. Both methods use beneficiaries from the same comparison group. Because the actuarial method constructs cohorts of beneficiaries from the comparison group (as will be explained later), the actuarial savings calculation uses a subset of the comparison group that was constructed for the other descriptive and regression-based analyses that RTI will perform as part of this evaluation.

The results presented in this report should not be viewed as final. The calculations in this report cover Medicare Parts A and B expenditures only, because the data needed to perform the calculations on Medicaid expenditures are not yet available. The final savings calculations will include both Medicare and Medicaid data. When Medicaid data become available a revised report will be issued that includes data from both programs. Note also that the evaluation report will include an analysis of Medicare Part D data.

2. Data Sources for PMPM Cost Analysis

Medicare payments have been separated into seven claim categories: Inpatient, Skilled Nursing Facility (SNF), Hospice, Outpatient, Home Health, Professional, and Durable Medical Equipment (DME). The data used in creating the results of this report are described in more detail below.

2.1 Determining Eligibility

As a part of performing cost calculations on a per member per month (PMPM) basis, it was necessary to construct an eligibility timeline for each beneficiary to determine whether claims occurred during periods of eligibility for the demonstration. ARC used beneficiary eligibility information extracted from CMS's Integrated Data Repository (IDR) on June 6, 2017 to construct an analytic file that contains the date of death; eligibility occurrences for Part A coverage, Part B coverage, and primary payer status; state/county codes of residence; and Group Health Organization (GHO) enrollment (e.g., Medicare Advantage [MA] or the Program of All-Inclusive Care for the Elderly [PACE]). In addition, we used monthly flags created by RTI for dual eligibility (based on data from the IDR) and for demonstration eligibility and enrollment (based on data provided by Colorado). All of this information was used to construct a historical eligibility record for each beneficiary.

After creating the historical eligibility file, ARC determined the days on which a beneficiary was eligible for the demonstration. Claims were included in the calculation of PMPM payments only if the beneficiary was eligible to participate in the demonstration on the admission date (for institutional claims) or service date (for all other types of service) on the claim. For future reports, retroactive changes will be applied so that the daily eligibility file will include updated values for all previous months.

2.2 Claims Data

The primary source of Medicare Parts A and B claims data for this report was CMS's Chronic Condition Warehouse (CCW). For each of the beneficiary cohorts included in this report, the claims data employed in the analysis were extracted from the CCW and represent claims incurred from the start date of each cohort through December 31, 2015, and processed by CMS through June 6, 2017.

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3. Basic Approach

The basic approach to the savings calculation is to compare the trend (as opposed to the level) of per member per month (PMPM) Medicare expenditures of those beneficiaries in the intervention group (i.e., the demonstration group) with the trend of the PMPM of those beneficiaries in the comparison group. This is done by comparing the actual PMPM of the individuals in the intervention group with a target PMPM, which is determined by projecting forward the PMPM of the intervention group in the Baseline Period to Demonstration Period 1. The trend used for the projection is based on the actual experience observed in the comparison group during the Baseline Period and Demonstration Period 1.

The PMPM amounts are calculated by dividing total Medicare Parts A and B expenditures by the number of member months of eligibility. Medicare paid amounts do not include the amounts for deductibles, coinsurance, or improper billing. For hospital claims, the paid amount is reduced for Medicare Disproportionate Share (DSH) payments and Indirect Medical Education (IME) payments, because these payments are not directly related to the cost of care provided to individual beneficiaries.

3.1 Categories of Beneficiaries

The basic approach is refined by disaggregating the beneficiaries in the intervention and comparison groups by characteristics that affect their level of care and costs. The disaggregation is performed using three characteristics that result in 12 categories of beneficiaries:

1. Basis of Medicare eligibility: *Age (65+) or Disability (<65)*
2. Level of Long-Term Services and Supports (LTSS)/Facility Status: Institution, Home and Community-Based Services (HCBS), or Community
3. Presence of Severe and Persistent Mental Illness (SPMI): *Yes or No*.

The intervention group and the comparison group had the same distribution by the prevalence of SPMI. Both groups had 25 percent prevalence of SPMI. The distributions by basis of Medicare eligibility and by facility status showed more variation. In the intervention group, 42 percent were under age 65 while in the comparison group 48 percent were under age 65. In the intervention group, 36 percent of members used HCBS and 13 percent used facility-based LTSS, whereas the prevalence in the comparison group was 16 percent HCBS and 21 percent facility-based services. Because the savings were calculated for each basis of eligibility and for each facility status category separately and weighted according to the intervention group distribution, the savings calculation appropriately takes into account this different distribution.

It is important to note that beneficiaries are placed into categories according to their characteristics at the time that they are first placed in “cohorts,” even if these characteristics subsequently change. This is done to ensure that the PMPMs in each category change only from the effects of the demonstration and not from the changing “mix” of beneficiaries in the category. This will also capture the effect of the demonstration on slowing the progression of the use of LTSS. For example, during the demonstration, some of the beneficiaries originally placed

in the community category may begin using HCBS or institutional services, which usually result in increased cost for care. If the rate of beneficiaries in the community category who require more intensive services during the demonstration is higher for the comparison group than for the intervention group, then the PMPM of the comparison group would increase faster and the savings calculation would show demonstration savings.

3.2 Cohorts

The beneficiaries are also disaggregated according to when they become eligible for the demonstration. Thus, beneficiaries are placed into cohorts based on when they first meet the eligibility requirements of the demonstration. Colorado has provided CMS with a file that lists the beneficiaries who have been determined to be eligible for the demonstration. We performed some eligibility checks on these beneficiaries and exclude them from the savings calculation if, on the date that we place them in cohorts, they meet the following criteria:

1. Are not eligible for Medicaid
2. Do not reside in Colorado
3. Do not have both Part A and Part B coverage
4. Enrolled in a Group Health Organization
5. Have Medicare as a secondary payer
6. Do not have at least 90 days of FFS experience as a dual eligible beneficiary during the Baseline Period¹
7. Are in another CMS Medicare shared savings initiative.

For beneficiaries in the comparison group, we applied the same checks, except that residence was checked for the appropriate counties in the comparison States. RTI constructed the comparison group from selected Metropolitan Statistical Areas (MSAs) and non-MSAs in five States—Arkansas, Georgia, Pennsylvania, Virginia, and Wisconsin—based on similarities between the demonstration and comparison areas.² Each MSA consists of a group of counties. For each State, a non-MSA area was constructed from the counties that do not belong to an MSA.

The tables presented in this report analyze demonstration eligibility and Medicare payments for seven populations of beneficiaries all part of one main cohort. This cohort, Cohort 1, consists of those beneficiaries who were first flagged as eligible for the demonstration by

¹ Note that the baseline experience must be during a period in which the beneficiary is a FFS dual beneficiary, but (for those in the intervention group) not necessarily enrolled in the demonstration. The criteria are applied equally to those in the intervention group and those in the comparison group.

² A description of the comparison group selection methodology will be included in the upcoming Colorado annual report.

Colorado during the months of September 2014 through May 2015 (i.e., the 9-month demonstration enrollment phase-in period) and who also met all of the CMS demonstration eligibility requirements in September 2014 (the month that the demonstration began). However, there were few enrollments in November 2014 and April 2015. Therefore, Cohort 1 of the intervention group is subdivided into seven subgroups consisting of those first identified as eligible for the demonstration in each of the months September 2014 through May 2015, but with enrollments in November combined with those in December and enrollments in April combined with those in May, because of the small number of enrollments in November and April. The seven subcohorts are identified as Cohort 1A through 1G.

Cohort 2 consists of those beneficiaries who were eligible for the demonstration in January 2016 with at least three months of baseline experience and who were not in Cohort 1. For Cohort 2, the baseline experience consists of the portion of Demonstration Period 1 (September 2014 through December 2015) that Cohort 2 beneficiaries met all of the CMS eligibility requirements. The actuarial savings calculation methodology does not include the actual cost experience of beneficiaries until their first full year of demonstration eligibility. Therefore, although Cohort 2 enrollees were enrolled in the demonstration for a portion of Demonstration Period 1, they were not included in Cohort 1 because they were not eligible for the demonstration as of the September 1, 2014 start date with three months of baseline experience. In accordance with the Final Demonstration Agreement, to reflect the fact that Cohort 2 beneficiaries were enrolled in the demonstration during a portion of Demonstration Period 1, the actual Demonstration Period 1 savings percentage experienced by Cohort 1 was attributed to Cohort 2 enrollees for those Demonstration Period 1 months during which they were enrolled. This attribution approach will be used for each cohort after Cohort 1. For example, for the upcoming Demonstration Period 2 savings calculation, the actual cost experience for both Cohort 1 and Cohort 2 will be included in the calculation, and the actual Cohort 2 experience during Demonstration Period 2 will be attributed to Cohort 3 for those Demonstration Period 2 months during which they were enrolled.

The actuarial model used for this savings calculation relies on the construction of cohorts. The purpose of employing cohorts for the analysis is to create closed groups of beneficiaries (similarly in the intervention group and the comparison group) whose monthly expenditures (PMPM) can be tracked to determine the effects of the demonstration. If new entrants were allowed into these groups over time, the new entrants would change the PMPM of the groups for reasons unrelated to the effects of the demonstration, but instead related only to the change in the mix of the groups.

When the idea of the cohorts was first conceived, Cohort 1 was to consist of only those beneficiaries first identified as eligible for the demonstration in September 2014 (instead of during the period September 2014 through May 2015). However, from those beneficiaries who were eligible in September 2014, Colorado enrolled beneficiaries into the demonstration in stages over the first 9 months of operations based on facility status and whether their Primary Care Medical Provider (PCMP) was already in the Accountable Care Collaborative (ACC). During this start-up phase, we did not include a beneficiary's experience in the savings calculation until the beneficiary had been flagged as eligible by Colorado. It is not possible to recreate this process of rolling entry for the comparison group. Thus, Cohort 1 for the comparison

group consists of those beneficiaries who met the eligibility requirements for the demonstration in September 2014.

For Cohort 1, the Baseline Period consists of the 24 months immediately before the start of the demonstration (i.e., September 1, 2012 through August 31, 2014). As noted, for Cohort 2, the baseline experience is the period September 2014 through December 2015. The same beneficiaries are in the baseline and the demonstration periods and an individual beneficiary must have 3 months of baseline experience before being included in a cohort for the savings calculation. This means that the beneficiary must have been dually eligible for at least 3 months during the applicable Baseline Period. Because the savings calculation methodology relies on determining the trend in PMPM expenditures between the Baseline Period and the demonstration periods, it is important that each beneficiary have relevant experience in both of these periods.

The trend factors from the Baseline Period to the demonstration periods are calculated separately for the intervention and comparison groups, each of the 12 categories of beneficiaries, each cohort, and for each month of the demonstration period. For the intervention group, when aggregating across months, cells, or cohorts, expenditures and member months are simply added up and the aggregate PMPMs are obtained by performing division. For the comparison group, however, expenditures for each month, cells, and cohort are obtained by multiplying the PMPM of the comparison group by the member months (MM) of the intervention group, which represents the expenditures that the comparison group would have experienced if it had the same size and beneficiary distribution among cells as the intervention group. For the comparison group, when aggregating across months, cells, or cohorts, the reweighted expenditures and intervention group member months are added up and the aggregate PMPMs are obtained by division. Totals and PMPMs obtained in this way are referred to as “reweighted” in the following tables.

For each cohort, cell, and demonstration month, a “target” PMPM is obtained by multiplying the corresponding PMPM of the intervention group in the Baseline Period times the ratio of (1) the comparison group PMPM in the demonstration month and (2) the comparison group PMPM in the Baseline Period. The target is essentially the PMPM in the Baseline Period of the intervention group projected forward by the trend in the comparison group. When the Medicaid data become available, this same methodology will be applied separately to the Medicaid expenditures.

3.3 AGA and Outlier Adjustments

Adjustments to the target PMPMs are needed to reflect Federal and State policies that affect the costs in the comparison States differently from those in the demonstration States, and to ensure that calculated savings result only from the demonstration and not from these government policies. For this report, which covers only Medicare expenditures, the only such adjustment is for the Average Geographic Adjustment (AGA) factor. Although this factor affects the level of Medicare payments to Medicare Advantage plans in each county and not FFS costs, it is measured using varying FFS costs in each county over time compared with the costs of the entire nation. The AGA changes through time at different rates for each geographic area. The target PMPMs are adjusted so that the comparison group trend is what it would have been if the AGA factors in the comparison States had changed by the same percentage amount as the change

in the demonstration State during the demonstration period. When the Medicaid savings calculation is conducted, other adjustments will have to be made to the Medicaid expenditures.

Another adjustment made to both the intervention and the comparison PMPMs is for outliers. Average health care expenditures (as represented by the PMPMs) can be significantly affected by a few very high-cost beneficiaries. Although it is possible to “save” by managing the care of such high-cost beneficiaries in the intervention group, this savings cannot be measured unless there are corresponding and similar high-cost beneficiaries in the comparison group, which may or may not be the case. The outlier adjustment is made by combining the intervention and comparison group beneficiaries and ranking them by their Medicare expenditures in the Baseline Period and demonstration periods separately. A threshold amount is calculated at the 99th percentile of these beneficiary-level costs. The costs of any individual that are above this threshold amount is truncated to the threshold amount. The costs above the threshold are subtracted from the total costs, and the PMPMs are recalculated by excluding the amounts above the threshold.

3.4 Determining Member Months

Savings are determined by comparing intervention and comparison group PMPM Medicare expenditures. The first step in determining PMPM amounts is determining the number of member months to be used in the calculation for each beneficiary. For Cohort 1, member months are calculated for each beneficiary starting on September 1, 2014 (or the first day that Colorado flags eligibility for the demonstration) and accrue until one of the following dates (i.e., the first day that is not included as a member month):

1. January 1, 2016.
2. The day after death.
3. The day after moving outside of the intervention area or comparison area.
4. The day of joining a Group Health Organization (GHO).
5. The day that Medicare is no longer the primary payer.
6. The day of loss of coverage for either Medicare Part A or Part B.
7. The day of loss of Medicaid eligibility.
8. For intervention beneficiaries, the day that Colorado determines that the beneficiary is no longer eligible for the demonstration.

When one of the above occurs during a month, a prorated number of member months are calculated, so that the number of member months contains fractions of whole months. For Cohort 2, the member months will be calculated beginning on January 1, 2016 and accrue until one of the above termination events. Also, if a beneficiary meets the demonstration eligibility criteria after being terminated previously, his or her experience would once again be included.

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4. Analysis of Cohorts

As described above, the purpose of closed cohorts is to ensure that the trend in per member per month (PMPM) results from changes in spending on beneficiaries initially placed in each category, not from new higher or lower cost beneficiaries joining the category over time. Although no new entrants are allowed into each cohort after it is created, there are some terminations, and these do affect the mix of beneficiaries slightly. We have calculated the number and rates of termination for each cohort to determine whether these rates are small and similar between the intervention and comparison groups.

Cohort 1 consisted of 19,725 Medicare-Medicaid enrollees in the intervention group and 57,325 Medicare-Medicaid enrollees in the comparison group. After 16 months of operations, there were 15,047 eligible intervention group members and 42,232 eligible comparison group members as of December 31, 2015. The monthly attrition rates for the intervention and comparison groups were 2.00 percent and 1.94 percent, respectively. A common reason for attrition was death and the monthly death rate for the intervention group was 0.52 percent, which is lower than the monthly death rate of 0.80 percent for the comparison group. The intervention group also experienced a lower rate of attrition because the beneficiary joined a Group Health Organization (GHO) or moved out of area. However, the intervention group experienced higher monthly rates of attrition from loss of eligibility for the demonstration. This is generally the loss of Medicaid eligibility. For the comparison group this is determined by RTI and for the intervention group, this is determined by Colorado. The monthly attrition rates for loss of eligibility were 0.95 percent for the intervention group and 0.38 percent for the comparison group.

Cohort 1 for the intervention group was divided into seven subgroups denoted by 1A through 1G. The seven subgroups consist of those beneficiaries that Colorado first identified as being eligible for the demonstration during the 9 months from September 2014 through May 2015. Colorado phased in enrollment based on facility status and whether their Primary Care Medical Provider (PCMP) were already in the Accountable Care Collaborative (ACC). The following table shows the number of beneficiaries in each subgroup, the monthly death rate, and the total monthly attrition rate for each subgroup.

Subgroup	Number of beneficiaries	Monthly death rate	Total monthly attrition rate
1A	4,543	0.27%	1.92%
1B	4,376	0.59%	1.85%
1C	2,618	0.57%	1.94%
1D	2,304	0.57%	2.08%
1E	2,228	0.65%	2.07%
1F	2,255	0.64%	2.36%
1G	1,401	0.89%	2.37%

Table 1 summarizes the reasons for ineligibility for members of Cohort 1 who became ineligible during the first 16 months of demonstration operations.

Table 1
Reasons for ineligibility for Cohort 1

Final ineligibility reason	Intervention group		Comparison group	
	Number of events	Monthly attrition rate	Number of events	Monthly attrition rate
Death	1,152	0.52%	6,204	0.80%
Loss of Part A or B	45	0.02%	177	0.02%
GHO enrollment	584	0.26%	3,623	0.47%
Medicare secondary payer	184	0.08%	609	0.08%
Moved out of service area	357	0.16%	1,535	0.20%
Loss of eligibility	2,093	0.95%	2,945	0.38%
All ineligibles	4,415	2.00%	15,093	1.94%
Beneficiaries as of 1 st day of 1 st month of eligibility	19,725		57,325	
Beneficiaries as of 12/31/2015	15,047		42,232	
Total member months	221,078.1		778,296.0	

GHO = Group Health Organization.

5. Results of PMPM Cost Analysis

Table 2 shows, for the comparison group, the incurred claims, member months, and per member per month (PMPM) costs for Cohort 1 for the Baseline Period and Demonstration Period 1 by category of beneficiary. For Cohort 1, the PMPM increases by 17 percent from \$890.00 during the Baseline Period to \$1,040.42 during Demonstration Period 1. It should be noted that Cohort 1 represents a cross-section of demonstration-eligible beneficiaries, whereas Cohort 2 and future cohorts will represent newly eligible beneficiaries. In other words, Cohort 1 beneficiaries could have first met the requirements for demonstration eligibility at any time during the past (perhaps years ago), whereas future cohort beneficiaries will first meet the requirements for demonstration eligibility recent to the start of the cohort (otherwise they would have been included in Cohort 1). Often those newly eligible to Medicaid (which we measure in the Baseline Period) have higher than average costs, which then regress back toward the mean costs for similar individuals (which we measure in the demonstration period). After the high initial costs for newly eligible individuals have been incurred, the trend would generally return to an increasing trend. On the other hand, successive cross sections of individuals usually exhibit steadily increasing costs. When doing analysis of successive cross sections, it is important that the rate of growth in the numbers of beneficiaries in the comparison and intervention groups be similar.

Before comparing with the intervention group, as will be shown in subsequent tables, the PMPMs in each cell (specific category of beneficiary and month) of the comparison group are reweighted by the number of member months in the intervention group. The resulting totals represent the costs that would have occurred in the comparison group if it had the same number and distribution of beneficiaries as the intervention group.

The PMPM costs are adjusted for two reasons: (1) to reflect the difference in the trend in the Average Geographic Adjustment factor between Colorado and the comparison States, and (2) to include an adjustment for the trimming of outlier costs above the 99th percentile of annual costs of total paid claims.

Table 2
Eligible months, incurred claims, and PMPM for the comparison group, Baseline Period, and Demonstration Period 1,
by category of beneficiary: Cohort 1

Category of beneficiary	Baseline Period			Demonstration Period 1			Trend
	Number of eligible months	Incurred claims	PMPM	Number of eligible months	Incurred claims	PMPM	(Demo Period/ Baseline Period)
<i>Comparison Group</i>	1,144,567.5	\$1,018,659,503	\$890.00	778,296.0	\$809,758,425	\$1,040.42	1.16902
Facility, Age 65+, with SPMI	56,032.2	\$100,338,497	\$1,790.73	35,679.1	\$62,082,948	\$1,740.04	0.97169
Facility, Age 65+, no SPMI	153,630.0	\$204,007,301	\$1,327.91	95,742.8	\$142,905,970	\$1,492.60	1.12402
HCBS, Age 65+, with SPMI	14,187.0	\$22,546,285	\$1,589.22	9,408.3	\$16,371,154	\$1,740.07	1.09493
HCBS, Age 65+, no SPMI	75,936.8	\$93,259,626	\$1,228.12	48,926.3	\$81,040,367	\$1,656.38	1.34871
Community, Age 65+, with SPMI	21,278.7	\$19,871,576	\$933.87	14,342.1	\$17,576,012	\$1,225.48	1.31226
Community, Age 65+, no SPMI	235,350.8	\$125,728,308	\$534.22	160,947.6	\$130,196,670	\$808.94	1.51425
Facility, Age <65, with SPMI	15,719.3	\$37,815,121	\$2,405.64	10,960.8	\$25,774,172	\$2,351.49	0.97749
Facility, Age <65, no SPMI	16,811.1	\$33,844,227	\$2,013.21	11,814.4	\$24,654,463	\$2,086.82	1.03656
HCBS, Age <65, with SPMI	29,155.1	\$32,586,149	\$1,117.68	19,922.9	\$22,403,028	\$1,124.49	1.00609
HCBS, Age <65, no SPMI	69,620.3	\$67,121,645	\$964.11	48,247.5	\$52,533,409	\$1,088.83	1.12936
Community, Age <65, with SPMI	149,214.2	\$104,445,617	\$699.97	102,475.6	\$81,648,405	\$796.76	1.13827
Community, Age <65, no SPMI	307,631.9	\$177,095,152	\$575.67	219,828.5	\$152,571,826	\$694.05	1.20563

Tables 3.A–3.H show the development of the trend rates from the Baseline Period to Demonstration Period 1 for the reweighted comparison group and the intervention group by category of beneficiary. The reweighting was done by category of beneficiary month by month. Thus, the comparison group PMPMs in **Tables 3.A–3.H** do not match exactly the PMPMs in **Table 2** by category of beneficiary, because the PMPMs in **Table 2** are weighted by the number of beneficiaries (month by month) in the comparison group. For example, in **Table 2**, the Cohort 1 baseline PMPM for the category “Facility, Age 65+, with SPMI” is \$1,790.73. But in **Table 3.A**, it is \$1,806.04, and in **Table 3.B**, it is \$1,785.81. This is because in **Tables 3.A–3.H**, the weighted average PMPM across all months in the Baseline Period is based on the eligible months of the particular subcohort of the intervention group beneficiaries and not that of the comparison group beneficiaries.

Table 3.H, which shows the results for the entire Cohort 1, shows that the PMPM for the reweighted comparison group increased by 15.4 percent from the Baseline Period to Demonstration Period 1, whereas that of the intervention group increased by 17.0 percent, a difference of 1.6 percentage points. In general, there was a greater difference in these trend factors (i.e., a higher negative savings percentage) for those that were in HCBS or with SPMI than for the other categories. In fact, those 65 and over in nursing facilities and with no SPMI saved a significant 8 percentage points.

Table 4 summarizes the results of **Tables 3.A–3.H** by cohort. Cohort 1A and Cohort 1F show slight savings, because the PMPM trend from the Baseline Period to Demonstration Period 1 for the comparison group was 0.5 and 1.9 percentage points greater than the trend for their respective intervention group. All of the other subgroups, except subgroup 1F, experienced negative savings of between 2 and 10 percent. The wide variation in the trends by cohort highlights the variability of health care costs. The aggregate experience of all cohorts combined should be considered more reliable than that of the individual cohorts.

Table 3.A
Eligible months, incurred claims, and PMPM for the reweighted comparison group and the intervention group,
Baseline Period, and Demonstration Period 1, by category of beneficiary: Cohort 1A

Category of beneficiary	Baseline Period			Demonstration Period 1			Trend
	Number of eligible months	Incurred claims	PMPM	Number of eligible months	Incurred claims	PMPM	(Demo Period/ Baseline Period)
Rewighted Comparison Group	82,588.6	\$66,047,060	\$799.71	61,739.5	\$58,380,403	\$945.59	1.182
Facility, Age 65+, with SPMI	182.1	\$328,880	\$1,806.04	145.6	\$252,956	\$1,737.68	0.962
Facility, Age 65+, no SPMI	771.1	\$1,040,484	\$1,349.41	581.5	\$866,483	\$1,490.05	1.104
HCBS, Age 65+, with SPMI	1,089.7	\$1,746,688	\$1,602.86	837.6	\$1,455,124	\$1,737.23	1.084
HCBS, Age 65+, no SPMI	5,482.8	\$6,757,773	\$1,232.54	3,760.4	\$6,232,446	\$1,657.37	1.345
Community, Age 65+, with SPMI	952.7	\$899,995	\$944.73	717.9	\$881,722	\$1,228.13	1.300
Community, Age 65+, no SPMI	14,375.0	\$7,776,442	\$540.97	11,448.8	\$9,258,241	\$808.67	1.495
Facility, Age <65, with SPMI	330.0	\$810,601	\$2,456.37	279.6	\$657,942	\$2,352.84	0.958
Facility, Age <65, no SPMI	578.0	\$1,210,036	\$2,093.49	533.2	\$1,111,313	\$2,084.15	0.996
HCBS, Age <65, with SPMI	6,975.7	\$7,814,159	\$1,120.20	4,880.5	\$5,487,985	\$1,124.48	1.004
HCBS, Age <65, no SPMI	16,325.7	\$15,771,599	\$966.06	11,823.4	\$12,878,656	\$1,089.25	1.128
Community, Age <65, with SPMI	10,359.7	\$7,306,609	\$705.29	7,418.4	\$5,903,901	\$795.84	1.128
Community, Age <65, no SPMI	25,166.2	\$14,583,795	\$579.50	19,312.6	\$13,393,634	\$693.52	1.197
Intervention Group	82,588.6	\$56,412,961	\$683.06	61,739.5	\$49,634,953	\$803.94	1.177
Facility, Age 65+, with SPMI	182.1	\$851,856	\$4,677.96	145.6	\$321,467	\$2,208.32	0.472
Facility, Age 65+, no SPMI	771.1	\$994,262	\$1,289.46	581.5	\$682,395	\$1,173.48	0.910
HCBS, Age 65+, with SPMI	1,089.7	\$1,127,342	\$1,034.51	837.6	\$1,016,386	\$1,213.43	1.173
HCBS, Age 65+, no SPMI	5,482.8	\$5,546,027	\$1,011.53	3,760.4	\$4,760,257	\$1,265.88	1.251
Community, Age 65+, with SPMI	952.7	\$771,744	\$810.10	717.9	\$790,227	\$1,100.69	1.359
Community, Age 65+, no SPMI	14,375.0	\$5,457,990	\$379.69	11,448.8	\$6,521,127	\$569.59	1.500
Facility, Age <65, with SPMI	330.0	\$785,395	\$2,379.98	279.6	\$520,584	\$1,861.64	0.782
Facility, Age <65, no SPMI	578.0	\$1,328,238	\$2,297.99	533.2	\$1,297,629	\$2,433.57	1.059
HCBS, Age <65, with SPMI	6,975.7	\$5,389,055	\$772.55	4,880.5	\$4,600,527	\$942.64	1.220
HCBS, Age <65, no SPMI	16,325.7	\$11,593,596	\$710.14	11,823.4	\$9,500,862	\$803.57	1.132
Community, Age <65, with SPMI	10,359.7	\$7,186,818	\$693.73	7,418.4	\$5,986,995	\$807.04	1.163
Community, Age <65, no SPMI	25,166.2	\$15,380,637	\$611.16	19,312.6	\$13,636,498	\$706.09	1.155

Table 3.B

Eligible months, incurred claims, and PMPM for the reweighted comparison group and the intervention group, Baseline Period, and Demonstration Period 1, by category of beneficiary: Cohort 1B

Category of beneficiary	Baseline Period			Demonstration Period 1			Trend
	Number of eligible months	Incurred claims	PMPM	Number of eligible months	Incurred claims	PMPM	(Demo Period/ Baseline Period)
Rewighted Comparison Group	91,195.2	\$87,014,640	\$954.16	55,894.5	\$62,104,651	\$1,111.11	1.164
Facility, Age 65+, with SPMI	2,553.0	\$4,559,183	\$1,785.81	1,461.8	\$2,531,780	\$1,731.94	0.970
Facility, Age 65+, no SPMI	6,637.0	\$8,791,964	\$1,324.69	3,414.2	\$5,090,951	\$1,491.13	1.126
HCBS, Age 65+, with SPMI	2,354.9	\$3,738,451	\$1,587.52	1,427.9	\$2,456,315	\$1,720.20	1.084
HCBS, Age 65+, no SPMI	10,414.4	\$12,820,475	\$1,231.03	6,597.8	\$11,032,117	\$1,672.09	1.358
Community, Age 65+, with SPMI	974.1	\$908,704	\$932.87	590.0	\$720,112	\$1,220.58	1.308
Community, Age 65+, no SPMI	16,919.3	\$9,037,251	\$534.14	10,623.4	\$8,650,759	\$814.31	1.525
Facility, Age <65, with SPMI	1,776.6	\$4,252,902	\$2,393.80	1,068.6	\$2,449,611	\$2,292.43	0.958
Facility, Age <65, no SPMI	1,791.3	\$3,577,683	\$1,997.26	1,031.1	\$2,124,830	\$2,060.78	1.032
HCBS, Age <65, with SPMI	9,433.8	\$10,524,866	\$1,115.65	5,654.0	\$6,295,084	\$1,113.38	0.998
HCBS, Age <65, no SPMI	14,686.8	\$14,148,181	\$963.33	9,001.5	\$9,799,917	\$1,088.70	1.130
Community, Age <65, with SPMI	8,309.1	\$5,821,443	\$700.61	5,180.1	\$4,132,916	\$797.85	1.139
Community, Age <65, no SPMI	15,344.8	\$8,833,537	\$575.67	9,844.2	\$6,820,259	\$692.82	1.204
Intervention Group	91,195.2	\$76,761,752	\$841.73	55,894.5	\$55,864,369	\$999.46	1.187
Facility, Age 65+, with SPMI	2,553.0	\$4,057,796	\$1,589.42	1,461.8	\$3,062,995	\$2,095.33	1.318
Facility, Age 65+, no SPMI	6,637.0	\$8,286,022	\$1,248.46	3,414.2	\$4,309,026	\$1,262.11	1.011
HCBS, Age 65+, with SPMI	2,354.9	\$2,778,010	\$1,179.67	1,427.9	\$2,368,338	\$1,658.59	1.406
HCBS, Age 65+, no SPMI	10,414.4	\$12,398,603	\$1,190.52	6,597.8	\$10,104,697	\$1,531.53	1.286
Community, Age 65+, with SPMI	974.1	\$787,814	\$808.76	590.0	\$763,911	\$1,294.82	1.601
Community, Age 65+, no SPMI	16,919.3	\$6,309,315	\$372.91	10,623.4	\$6,315,095	\$594.45	1.594
Facility, Age <65, with SPMI	1,776.6	\$3,084,047	\$1,735.89	1,068.6	\$1,905,334	\$1,783.07	1.027
Facility, Age <65, no SPMI	1,791.3	\$3,444,947	\$1,923.15	1,031.1	\$2,217,837	\$2,150.98	1.118
HCBS, Age <65, with SPMI	9,433.8	\$9,334,592	\$989.48	5,654.0	\$4,844,066	\$856.74	0.866
HCBS, Age <65, no SPMI	14,686.8	\$12,392,789	\$843.80	9,001.5	\$10,144,433	\$1,126.98	1.336
Community, Age <65, with SPMI	8,309.1	\$5,963,656	\$717.72	5,180.1	\$3,461,901	\$668.31	0.931
Community, Age <65, no SPMI	15,344.8	\$7,924,159	\$516.41	9,844.2	\$6,366,737	\$646.75	1.252

Table 3.C

Eligible months, incurred claims, and PMPM for the reweighted comparison group and the intervention group, Baseline Period, and Demonstration Period 1, by category of beneficiary: Cohort 1C

Category of beneficiary	Baseline Period			Demonstration Period 1			Trend
	Number of eligible months	Incurred claims	PMPM	Number of eligible months	Incurred claims	PMPM	(Demo Period/ Baseline Period)
Rewighted Comparison Group	55,301.5	\$52,334,403	\$946.35	29,275.7	\$32,690,358	\$1,116.64	1.180
Facility, Age 65+, with SPMI	792.0	\$1,416,147	\$1,788.06	388.4	\$660,819	\$1,701.57	0.952
Facility, Age 65+, no SPMI	5,589.0	\$7,389,801	\$1,322.20	2,616.3	\$3,889,289	\$1,486.57	1.124
HCBS, Age 65+, with SPMI	1,290.0	\$2,046,597	\$1,586.51	660.8	\$1,113,785	\$1,685.41	1.062
HCBS, Age 65+, no SPMI	7,291.0	\$8,948,018	\$1,227.27	3,899.4	\$6,568,174	\$1,684.41	1.372
Community, Age 65+, with SPMI	735.3	\$684,644	\$931.11	402.2	\$508,873	\$1,265.32	1.359
Community, Age 65+, no SPMI	9,566.9	\$5,114,184	\$534.57	5,314.0	\$4,367,688	\$821.92	1.538
Facility, Age <65, with SPMI	637.0	\$1,526,302	\$2,396.08	317.6	\$737,660	\$2,322.75	0.969
Facility, Age <65, no SPMI	892.0	\$1,780,468	\$1,996.04	464.9	\$942,174	\$2,026.53	1.015
HCBS, Age <65, with SPMI	5,641.2	\$6,296,097	\$1,116.10	2,974.1	\$3,272,934	\$1,100.49	0.986
HCBS, Age <65, no SPMI	8,580.9	\$8,261,901	\$962.83	4,459.2	\$4,909,882	\$1,101.06	1.144
Community, Age <65, with SPMI	5,258.2	\$3,679,051	\$699.69	2,861.8	\$2,285,668	\$798.68	1.141
Community, Age <65, no SPMI	9,028.2	\$5,191,192	\$575.00	4,917.0	\$3,433,411	\$698.28	1.214
Intervention Group	55,301.5	\$42,328,826	\$765.42	29,275.7	\$28,415,748	\$970.63	1.268
Facility, Age 65+, with SPMI	792.0	\$1,726,558	\$2,180.00	388.4	\$552,532	\$1,422.74	0.653
Facility, Age 65+, no SPMI	5,589.0	\$6,098,202	\$1,091.11	2,616.3	\$3,472,710	\$1,327.34	1.217
HCBS, Age 65+, with SPMI	1,290.0	\$1,495,859	\$1,159.58	660.8	\$1,128,843	\$1,708.19	1.473
HCBS, Age 65+, no SPMI	7,291.0	\$7,271,328	\$997.31	3,899.4	\$5,850,210	\$1,500.29	1.504
Community, Age 65+, with SPMI	735.3	\$360,396	\$490.13	402.2	\$275,991	\$686.26	1.400
Community, Age 65+, no SPMI	9,566.9	\$4,883,614	\$510.47	5,314.0	\$3,500,457	\$658.72	1.290
Facility, Age <65, with SPMI	637.0	\$996,375	\$1,564.17	317.6	\$375,208	\$1,181.46	0.755
Facility, Age <65, no SPMI	892.0	\$2,043,978	\$2,291.46	464.9	\$1,014,858	\$2,182.87	0.953
HCBS, Age <65, with SPMI	5,641.2	\$3,787,057	\$671.33	2,974.1	\$2,506,756	\$842.87	1.256
HCBS, Age <65, no SPMI	8,580.9	\$6,364,251	\$741.68	4,459.2	\$4,507,369	\$1,010.79	1.363
Community, Age <65, with SPMI	5,258.2	\$3,289,816	\$625.66	2,861.8	\$1,724,292	\$602.52	0.963
Community, Age <65, no SPMI	9,028.2	\$4,011,390	\$444.32	4,917.0	\$3,506,523	\$713.14	1.605

Table 3.D

Eligible months, incurred claims, and PMPM for the reweighted comparison group and the intervention group, Baseline Period, and Demonstration Period 1, by category of beneficiary: Cohort 1D

Category of beneficiary	Baseline Period			Demonstration Period 1			Trend
	Number of eligible months	Incurred claims	PMPM	Number of eligible months	Incurred claims	PMPM	(Demo Period/ Baseline Period)
Rewighted comparison group	46,370.3	\$41,085,624	\$886.03	23,680.5	\$24,728,267	\$1,044.25	1.179
Facility, age 65+, with SPMI	1,163.0	\$2,077,899	\$1,786.67	492.9	\$832,551	\$1,689.09	0.945
Facility, age 65+, no SPMI	3,853.0	\$5,105,085	\$1,324.96	1,645.7	\$2,419,960	\$1,470.47	1.110
HCBS, age 65+, with SPMI	665.0	\$1,063,629	\$1,599.44	379.1	\$631,990	\$1,667.23	1.042
HCBS, age 65+, no SPMI	4,494.3	\$5,524,240	\$1,229.17	2,243.2	\$3,771,734	\$1,681.40	1.368
Community, age 65+, with SPMI	396.0	\$373,973	\$944.38	223.8	\$284,223	\$1,269.78	1.345
Community, age 65+, no SPMI	10,531.7	\$5,628,462	\$534.43	5,548.8	\$4,553,067	\$820.55	1.535
Facility, age <65, with SPMI	503.0	\$1,203,960	\$2,393.56	262.1	\$605,508	\$2,310.53	0.965
Facility, age <65, no SPMI	781.0	\$1,550,598	\$1,985.40	356.5	\$708,553	\$1,987.69	1.001
HCBS, age <65, with SPMI	3,446.1	\$3,856,252	\$1,119.01	1,792.1	\$1,958,629	\$1,092.91	0.977
HCBS, age <65, no SPMI	5,923.5	\$5,710,077	\$963.97	3,042.6	\$3,349,394	\$1,100.82	1.142
Community, age <65, with SPMI	4,610.1	\$3,229,298	\$700.48	2,304.7	\$1,838,112	\$797.56	1.139
Community, age <65, no SPMI	10,003.5	\$5,762,151	\$576.01	5,389.1	\$3,774,547	\$700.41	1.216
Intervention group	46,370.3	\$27,656,133	\$596.42	23,680.5	\$18,090,487	\$763.94	1.281
Facility, age 65+, with SPMI	1,163.0	\$1,733,609	\$1,490.64	492.9	\$594,980	\$1,207.10	0.810
Facility, age 65+, no SPMI	3,853.0	\$4,704,830	\$1,221.08	1,645.7	\$2,365,481	\$1,437.36	1.177
HCBS, age 65+, with SPMI	665.0	\$648,287	\$974.87	379.1	\$747,987	\$1,973.23	2.024
HCBS, age 65+, no SPMI	4,494.3	\$3,591,155	\$799.05	2,243.2	\$2,786,911	\$1,242.38	1.555
Community, age 65+, with SPMI	396.0	\$215,743	\$544.80	223.8	\$108,132	\$483.09	0.887
Community, age 65+, no SPMI	10,531.7	\$3,269,526	\$310.44	5,548.8	\$2,649,216	\$477.44	1.538
Facility, age <65, with SPMI	503.0	\$591,539	\$1,176.02	262.1	\$260,388	\$993.60	0.845
Facility, age <65, no SPMI	781.0	\$872,356	\$1,116.97	356.5	\$661,144	\$1,854.70	1.660
HCBS, age <65, with SPMI	3,446.1	\$2,585,144	\$750.16	1,792.1	\$1,610,319	\$898.55	1.198
HCBS, age <65, no SPMI	5,923.5	\$3,174,585	\$535.93	3,042.6	\$2,150,663	\$706.84	1.319
Community, age <65, with SPMI	4,610.1	\$2,760,329	\$598.76	2,304.7	\$1,249,192	\$542.03	0.905
Community, age <65, no SPMI	10,003.5	\$3,509,030	\$350.78	5,389.1	\$2,906,073	\$539.25	1.537

Table 3.E

Eligible months, incurred claims, and PMPM for the reweighted comparison group and the intervention group, Baseline Period, and Demonstration Period 1, by category of beneficiary: Cohort 1E

Category of beneficiary	Baseline Period			Demonstration Period 1			Trend
	Number of eligible months	Incurred claims	PMPM	Number of eligible months	Incurred claims	PMPM	(Demo Period/ Baseline Period)
Rewighted comparison group	45,270.3	\$44,247,073	\$977.40	21,358.0	\$23,988,696	\$1,123.17	1.149
Facility, age 65+, with SPMI	1,254.0	\$2,244,229	\$1,789.66	521.9	\$878,436	\$1,683.30	0.941
Facility, age 65+, no SPMI	5,079.0	\$6,724,223	\$1,323.93	2,084.6	\$3,033,613	\$1,455.22	1.099
HCBS, age 65+, with SPMI	799.0	\$1,277,819	\$1,599.27	392.8	\$648,121	\$1,650.00	1.032
HCBS, age 65+, no SPMI	5,039.4	\$6,202,894	\$1,230.88	2,391.0	\$4,018,890	\$1,680.87	1.366
Community, age 65+, with SPMI	270.9	\$249,996	\$922.72	114.8	\$145,907	\$1,270.89	1.377
Community, age 65+, no SPMI	8,017.1	\$4,298,117	\$536.12	4,013.7	\$3,334,244	\$830.71	1.549
Facility, age <65, with SPMI	1,393.0	\$3,340,596	\$2,398.13	634.3	\$1,464,468	\$2,308.78	0.963
Facility, age <65, no SPMI	1,011.7	\$2,027,388	\$2,003.92	426.4	\$847,845	\$1,988.21	0.992
HCBS, age <65, with SPMI	3,822.0	\$4,269,135	\$1,116.98	1,771.8	\$1,932,428	\$1,090.63	0.976
HCBS, age <65, no SPMI	6,393.0	\$6,157,067	\$963.10	2,924.2	\$3,223,785	\$1,102.45	1.145
Community, age <65, with SPMI	3,507.8	\$2,455,725	\$700.07	1,772.3	\$1,410,374	\$795.77	1.137
Community, age <65, no SPMI	8,683.3	\$4,999,884	\$575.80	4,310.1	\$3,050,585	\$707.78	1.229
Intervention group	45,270.3	\$31,581,567	\$697.62	21,358.0	\$17,776,582	\$832.32	1.193
Facility, age 65+, with SPMI	1,254.0	\$2,074,056	\$1,653.95	521.9	\$941,852	\$1,804.82	1.091
Facility, age 65+, no SPMI	5,079.0	\$5,066,575	\$997.55	2,084.6	\$2,334,929	\$1,120.06	1.123
HCBS, age 65+, with SPMI	799.0	\$871,555	\$1,090.81	392.8	\$562,204	\$1,431.27	1.312
HCBS, age 65+, no SPMI	5,039.4	\$5,530,723	\$1,097.50	2,391.0	\$4,129,506	\$1,727.13	1.574
Community, age 65+, with SPMI	270.9	\$268,466	\$990.89	114.8	\$162,569	\$1,416.02	1.429
Community, age 65+, no SPMI	8,017.1	\$2,277,386	\$284.07	4,013.7	\$1,687,698	\$420.48	1.480
Facility, age <65, with SPMI	1,393.0	\$2,133,199	\$1,531.37	634.3	\$633,750	\$999.13	0.652
Facility, age <65, no SPMI	1,011.7	\$1,592,249	\$1,573.82	426.4	\$536,407	\$1,257.88	0.799
HCBS, age <65, with SPMI	3,822.0	\$2,258,769	\$590.99	1,771.8	\$1,354,736	\$764.59	1.294
HCBS, age <65, no SPMI	6,393.0	\$4,335,273	\$678.13	2,924.2	\$2,012,021	\$688.06	1.015
Community, age <65, with SPMI	3,507.8	\$1,838,256	\$524.04	1,772.3	\$1,391,321	\$785.02	1.498
Community, age <65, no SPMI	8,683.3	\$3,335,061	\$384.08	4,310.1	\$2,029,590	\$470.89	1.226

Table 3.F

Eligible months, incurred claims, and PMPM for the reweighted comparison group and the intervention group, Baseline Period, and Demonstration Period 1, by category of beneficiary: Cohort 1F

Category of beneficiary	Baseline Period			Demonstration Period 1			Trend
	Number of eligible months	Incurred claims	PMPM	Number of eligible months	Incurred claims	PMPM	(Demo Period / Baseline Period)
Rewighted comparison group	44,195.5	\$42,935,417	\$971.49	19,283.7	\$22,075,308	\$1,144.76	1.178
Facility, age 65+, with SPMI	1,435.0	\$2,572,471	\$1,792.66	573.8	\$968,051	\$1,686.98	0.941
Facility, age 65+, no SPMI	4,838.8	\$6,435,392	\$1,329.96	1,997.1	\$2,907,458	\$1,455.82	1.095
HCBS, age 65+, with SPMI	1,102.0	\$1,763,477	\$1,600.25	516.4	\$870,766	\$1,686.14	1.054
HCBS, age 65+, no SPMI	5,562.0	\$6,848,429	\$1,231.29	2,465.4	\$4,167,083	\$1,690.22	1.373
Community, age 65+, with SPMI	498.0	\$468,754	\$941.27	251.4	\$321,789	\$1,279.82	1.360
Community, age 65+, no SPMI	8,715.6	\$4,668,669	\$535.67	3,950.0	\$3,317,238	\$839.80	1.568
Facility, age <65, with SPMI	1,030.0	\$2,472,438	\$2,400.43	440.5	\$1,004,701	\$2,280.98	0.950
Facility, age <65, no SPMI	1,011.0	\$2,024,880	\$2,002.85	410.8	\$815,732	\$1,985.93	0.992
HCBS, age <65, with SPMI	3,066.6	\$3,431,029	\$1,118.83	1,300.3	\$1,418,149	\$1,090.64	0.975
HCBS, age <65, no SPMI	5,122.2	\$4,937,730	\$963.99	2,183.5	\$2,408,933	\$1,103.26	1.144
Community, age <65, with SPMI	3,993.4	\$2,800,717	\$701.33	1,654.2	\$1,330,781	\$804.50	1.147
Community, age <65, no SPMI	7,820.9	\$4,511,430	\$576.85	3,540.3	\$2,544,627	\$718.76	1.246
Intervention group	44,195.5	\$42,979,612	\$972.49	19,283.7	\$21,738,224	\$1,127.28	1.159
Facility, age 65+, with SPMI	1,435.0	\$2,895,095	\$2,017.49	573.8	\$906,407	\$1,579.56	0.783
Facility, age 65+, no SPMI	4,838.8	\$7,262,884	\$1,500.98	1,997.1	\$2,546,033	\$1,274.85	0.849
HCBS, age 65+, with SPMI	1,102.0	\$1,771,704	\$1,607.72	516.4	\$1,144,542	\$2,216.28	1.379
HCBS, age 65+, no SPMI	5,562.0	\$5,474,815	\$984.32	2,465.4	\$3,233,938	\$1,311.72	1.333
Community, age 65+, with SPMI	498.0	\$347,198	\$697.19	251.4	\$131,330	\$522.33	0.749
Community, age 65+, no SPMI	8,715.6	\$3,609,715	\$414.17	3,950.0	\$2,882,497	\$729.74	1.762
Facility, age <65, with SPMI	1,030.0	\$1,787,558	\$1,735.49	440.5	\$713,321	\$1,619.45	0.933
Facility, age <65, no SPMI	1,011.0	\$2,741,864	\$2,712.03	410.8	\$845,883	\$2,059.34	0.759
HCBS, age <65, with SPMI	3,066.6	\$2,679,167	\$873.65	1,300.3	\$1,214,178	\$933.78	1.069
HCBS, age <65, no SPMI	5,122.2	\$5,121,573	\$999.88	2,183.5	\$3,458,475	\$1,583.93	1.584
Community, age <65, with SPMI	3,993.4	\$2,890,439	\$723.80	1,654.2	\$1,829,518	\$1,106.00	1.528
Community, age <65, no SPMI	7,820.9	\$6,397,600	\$818.02	3,540.3	\$2,832,102	\$799.96	0.978

Table 3.G

Eligible months, incurred claims, and PMPM for the reweighted comparison group and the intervention group, Baseline Period, and Demonstration Period 1, by category of beneficiary: Cohort 1G

Category of beneficiary	Baseline Period			Demonstration Period 1			Trend
	Number of eligible months	Incurred claims	PMPM	Number of eligible months	Incurred claims	PMPM	(Demo Period/ Baseline Period)
Rewighted comparison group	29,226.7	\$30,975,750	\$1,059.85	9,846.2	\$11,996,617	\$1,218.40	1.150
Facility, age 65+, with SPMI	1,177.0	\$2,104,409	\$1,787.94	352.7	\$586,710	\$1,663.44	0.930
Facility, age 65+, no SPMI	3,794.0	\$5,034,484	\$1,326.96	1,160.1	\$1,669,638	\$1,439.18	1.085
HCBS, age 65+, with SPMI	786.7	\$1,255,864	\$1,596.44	292.0	\$475,998	\$1,630.13	1.021
HCBS, age 65+, no SPMI	4,851.7	\$5,954,827	\$1,227.38	1,642.7	\$2,740,229	\$1,668.13	1.359
Community, age 65+, with SPMI	210.7	\$196,627	\$933.21	79.0	\$101,134	\$1,280.18	1.372
Community, age 65+, no SPMI	3,533.2	\$1,886,797	\$534.01	1,249.8	\$1,037,674	\$830.28	1.555
Facility, age <65, with SPMI	646.9	\$1,553,229	\$2,401.14	217.0	\$481,224	\$2,217.62	0.924
Facility, age <65, no SPMI	740.0	\$1,485,883	\$2,007.95	240.4	\$477,198	\$1,985.30	0.989
HCBS, age <65, with SPMI	2,499.4	\$2,787,363	\$1,115.22	814.8	\$907,160	\$1,113.37	0.998
HCBS, age <65, no SPMI	5,516.1	\$5,310,366	\$962.71	1,833.2	\$2,053,817	\$1,120.35	1.164
Community, age <65, with SPMI	2,044.0	\$1,431,063	\$700.13	706.4	\$577,339	\$817.35	1.167
Community, age <65, no SPMI	3,427.1	\$1,974,838	\$576.25	1,258.2	\$888,496	\$706.19	1.225
Intervention group	29,226.7	\$39,759,038	\$1,360.37	9,846.2	\$16,804,543	\$1,706.71	1.255
Facility, age 65+, with SPMI	1,177.0	\$2,459,603	\$2,089.72	352.7	\$574,857	\$1,629.84	0.780
Facility, age 65+, no SPMI	3,794.0	\$6,159,450	\$1,623.47	1,160.1	\$1,838,115	\$1,584.40	0.976
HCBS, age 65+, with SPMI	786.7	\$958,356	\$1,218.25	292.0	\$459,161	\$1,572.47	1.291
HCBS, age 65+, no SPMI	4,851.7	\$5,321,713	\$1,096.89	1,642.7	\$2,703,939	\$1,646.04	1.501
Community, age 65+, with SPMI	210.7	\$237,961	\$1,129.38	79.0	\$108,977	\$1,379.45	1.221
Community, age 65+, no SPMI	3,533.2	\$2,196,930	\$621.79	1,249.8	\$1,184,736	\$947.95	1.525
Facility, age <65, with SPMI	646.9	\$1,820,218	\$2,813.88	217.0	\$600,070	\$2,765.30	0.983
Facility, age <65, no SPMI	740.0	\$2,701,796	\$3,651.08	240.4	\$1,210,023	\$5,034.09	1.379
HCBS, age <65, with SPMI	2,499.4	\$3,146,495	\$1,258.91	814.8	\$1,497,486	\$1,837.88	1.460
HCBS, age <65, no SPMI	5,516.1	\$7,458,017	\$1,352.05	1,833.2	\$2,945,127	\$1,606.55	1.188
Community, age <65, with SPMI	2,044.0	\$2,352,343	\$1,150.85	706.4	\$1,297,636	\$1,837.09	1.596
Community, age <65, no SPMI	3,427.1	\$4,946,156	\$1,443.26	1,258.2	\$2,384,416	\$1,895.16	1.313

Table 3.H

Eligible months, incurred claims, and PMPM for the reweighted comparison group and the intervention group, Baseline Period, and Demonstration Period 1, by category of beneficiary: Cohort 1 Total

Category of beneficiary	Baseline Period			Demonstration Period 1			Trend
	Number of eligible months	Incurred claims	PMPM	Number of eligible months	Incurred claims	PMPM	(Demo Period/ Baseline Period)
Rewighted comparison group	394,148.0	\$364,639,967	\$925.13	221,078.1	\$235,964,300	\$1,067.33	1.154
Facility, age 65+, with SPMI	8,556.1	\$15,303,219	\$1,788.57	3,937.0	\$6,711,304	\$1,704.66	0.953
Facility, age 65+, no SPMI	30,561.8	\$40,521,434	\$1,325.88	13,499.6	\$19,877,391	\$1,472.45	1.111
HCBS, age 65+, with SPMI	8,087.3	\$12,892,525	\$1,594.17	4,506.7	\$7,652,100	\$1,697.95	1.065
HCBS, age 65+, no SPMI	43,135.5	\$53,056,655	\$1,230.00	22,999.9	\$38,530,673	\$1,675.25	1.362
Community, age 65+, with SPMI	4,037.7	\$3,782,693	\$936.85	2,379.2	\$2,963,759	\$1,245.72	1.330
Community, age 65+, no SPMI	71,658.9	\$38,409,923	\$536.01	42,148.5	\$34,518,911	\$818.98	1.528
Facility, age <65, with SPMI	6,316.5	\$15,160,028	\$2,400.07	3,219.6	\$7,401,115	\$2,298.75	0.958
Facility, age <65, no SPMI	6,805.0	\$13,656,935	\$2,006.89	3,463.2	\$7,027,645	\$2,029.21	1.011
HCBS, age <65, with SPMI	34,884.8	\$38,978,901	\$1,117.36	19,187.6	\$21,272,368	\$1,108.65	0.992
HCBS, age <65, no SPMI	62,548.1	\$60,296,921	\$964.01	35,267.6	\$38,624,384	\$1,095.18	1.136
Community, age <65, with SPMI	38,082.3	\$26,723,905	\$701.74	21,897.9	\$17,479,090	\$798.21	1.137
Community, age <65, no SPMI	79,473.9	\$45,856,827	\$577.00	48,571.3	\$33,905,559	\$698.06	1.210
Intervention group	394,148.0	\$317,479,890	\$805.48	221,078.1	\$208,324,905	\$942.31	1.170
Facility, age 65+, with SPMI	8,556.1	\$15,798,574	\$1,846.47	3,937.0	\$6,955,091	\$1,766.58	0.957
Facility, age 65+, no SPMI	30,561.8	\$38,572,225	\$1,262.10	13,499.6	\$17,548,688	\$1,299.94	1.030
HCBS, age 65+, with SPMI	8,087.3	\$9,651,113	\$1,193.37	4,506.7	\$7,427,461	\$1,648.10	1.381
HCBS, age 65+, no SPMI	43,135.5	\$45,134,365	\$1,046.34	22,999.9	\$33,569,456	\$1,459.55	1.395
Community, age 65+, with SPMI	4,037.7	\$2,989,322	\$740.36	2,379.2	\$2,341,136	\$984.02	1.329
Community, age 65+, no SPMI	71,658.9	\$28,004,477	\$390.80	42,148.5	\$24,740,826	\$586.99	1.502
Facility, age <65, with SPMI	6,316.5	\$11,198,331	\$1,772.87	3,219.6	\$5,008,655	\$1,555.67	0.877
Facility, age <65, no SPMI	6,805.0	\$14,725,428	\$2,163.91	3,463.2	\$7,783,781	\$2,247.54	1.039
HCBS, age <65, with SPMI	34,884.8	\$29,180,279	\$836.47	19,187.6	\$17,628,067	\$918.72	1.098
HCBS, age <65, no SPMI	62,548.1	\$50,440,085	\$806.42	35,267.6	\$34,718,950	\$984.44	1.221
Community, age <65, with SPMI	38,082.3	\$26,281,657	\$690.13	21,897.9	\$16,940,854	\$773.63	1.121
Community, age <65, no SPMI	79,473.9	\$45,504,033	\$572.57	48,571.3	\$33,661,939	\$693.04	1.210

Table 4
Summary by cohort of per member per month (PMPM), baseline versus Demonstration Period 1

Cohort	Group	Baseline Period			Demonstration Period 1			Cost trend (Demonstration Period 1/Baseline Period)
		Number of eligible months (intervention group)	Medicare incurred claims	PMPM	Number of eligible months (intervention group)	Medicare incurred claims	PMPM	
1 Total	C	394,148.0	\$364,639,967	\$925.13	221,078.1	\$235,964,300	\$1,067.33	1.154
	I	394,148.0	\$317,479,890	\$805.48	221,078.1	\$208,324,905	\$942.31	1.170
1A	C	82,588.6	\$66,047,060	\$799.71	61,739.5	\$58,380,403	\$945.59	1.182
	I	82,588.6	\$56,412,961	\$683.06	61,739.5	\$49,634,953	\$803.94	1.177
1B	C	91,195.2	\$87,014,640	\$954.16	55,894.5	\$62,104,651	\$1,111.11	1.164
	I	91,195.2	\$76,761,752	\$841.73	55,894.5	\$55,864,369	\$999.46	1.187
1C	C	55,301.5	\$52,334,403	\$946.35	29,275.7	\$32,690,358	\$1,116.64	1.180
	I	55,301.5	\$42,328,826	\$765.42	29,275.7	\$28,415,748	\$970.63	1.268
1D	C	46,370.3	\$41,085,624	\$886.03	23,680.5	\$24,728,267	\$1,044.25	1.179
	I	46,370.3	\$27,656,133	\$596.42	23,680.5	\$18,090,487	\$763.94	1.281
1E	C	45,270.3	\$44,247,073	\$977.40	21,358.0	\$23,988,696	\$1,123.17	1.149
	I	45,270.3	\$31,581,567	\$697.62	21,358.0	\$17,776,582	\$832.32	1.193
1F	C	44,195.5	\$42,935,417	\$971.49	19,283.7	\$22,075,308	\$1,144.76	1.178
	I	44,195.5	\$42,979,612	\$972.49	19,283.7	\$21,738,224	\$1,127.28	1.159
1G	C	29,226.7	\$30,975,750	\$1,059.85	9,846.2	\$11,996,617	\$1,218.40	1.150
	I	29,226.7	\$39,759,038	\$1,360.37	9,846.2	\$16,804,543	\$1,706.71	1.255

5.1 AGA Adjustment

The trend in health care costs is not uniform across the United States, but varies by geographic area. The purpose of this adjustment is to control for geographic variation in secular cost trends. CMS measures these variations for each calendar year by county with the calculation of the Average Geographic Adjustment (AGA) factors. The factors measure the difference in average Medicare FFS costs in each county from the national average. The factors are used to vary payment rates to Medicare Advantage plans by county. Hospice expenditures are excluded in the calculation of the AGA factors. We calculated the average AGA factor across all beneficiaries in the intervention group and the comparison group for the Baseline Period and Demonstration Period 1 separately based on the AGA-adjusted and the AGA-unadjusted Medicare claims. To determine the average AGA factor, the nonhospice expenditures for each beneficiary were grouped by calendar year and county of residence, and the weighted average AGA factor was calculated for each cohort and for each period (Baseline Period vs. Demonstration Period 1).³ **Table 5** shows the results of the calculations.

For each cohort, the AGA adjustment factor was determined by comparing the trend in the AGA factor from the Baseline Period to Demonstration Period 1 for the intervention group versus that of the comparison group. For Cohort 1, the AGA decreased from the Baseline Period to Demonstration Period 1 by 0.85 percent (a factor of 0.991540) for the intervention group and by 0.78 percent (a factor of 0.992181) for the comparison group. If the AGA had decreased by the same 0.85 percent in the comparison area as it did in the intervention area, instead of by 0.78 percent, then the trend of the comparison group would have decreased by 0.06 percent more than it did ($0.991540/0.992181 = 0.999354$), which is the AGA adjustment factor that we apply to the comparison group trend.

Table 5
Average AGA factor by group and period

Cohort	Group	Baseline Period	Demonstration Period 1	Trend in AGA factor	Adjustment to comparison group trend
1 total	C	0.927390	0.920138	0.992181	0.999354
	I	0.957488	0.949388	0.991540	

Tables 6.A–6.H show the savings calculations for each cohort, taking into account the AGA adjustment factors (but still excluding the outlier adjustment). Column (a) shows the number of member months during Demonstration Period 1 for the intervention group for each category of beneficiary. Column (b) shows the PMPM during the Baseline Period for the intervention group beneficiaries. This is the starting PMPM to which the trend factor will be applied to determine the target PMPM. Column (c) is the trend factor obtained by multiplying

³ The nonhospice expenditures of each beneficiary were divided by the AGA factor for their county and year and the sum of this product was divided into the total nonhospice expenditures of the cohort.

the PMPM trend from the comparison group by the AGA adjustment factor. Column (d) is the target PMPM, which is the baseline PMPM in column (b) times the trend factor in column (c). Column (e) is the actual PMPM for the intervention group in Demonstration Period 1. Column (f) shows the PMPM savings, which is obtained by subtracting the actual PMPM in column (e) from the target PMPM in column (d). Multiplying the number of eligible months in column (a) by the PMPM savings gives the total dollar savings of column (g). Finally, column (h) shows the corresponding percentage savings, which is the PMPM savings divided by the target PMPM.

Table 6.H displays the savings calculation for Cohort 1 in total. The baseline PMPM for the intervention group was \$805.48. The AGA adjusted trend from the comparison group was 1.131, resulting in a target PMPM of \$910.99. The PMPM costs of the intervention group were actually \$942.31, an increase of 17.0 percent over the \$805.48 baseline PMPM. Because the intervention group PMPM costs increased at a faster rate (17.0 percent) than the comparison group costs (13.1 percent), we estimate a PMPM negative savings of \$31.33, or a savings rate of -3.4 percent. The additional costs (negative savings) dollar amount was \$6,925,306.

Table 6.A
Preliminary savings calculation: Intervention and target PMPM, by category of beneficiary: Cohort 1A

Category of beneficiary	(a) Number of eligible months	(b) Baseline Period PMPM from intervention group	(c) AGA adjusted cost trend from comparison group	(d) Target Demonstration Period 1 PMPM	(e) Actual Demonstration Period 1 PMPM for intervention group	(f) PMPM savings = (d) – (e)	(g) Total savings = (a) * (f)	(h) Percent savings
Total	61,739.5	\$683.06	1.181	\$806.63	\$803.94	\$2.69	\$166,090	0.3
Facility, age 65+, with SPMI	145.6	\$4,677.96	0.962	\$4,498.00	\$2,208.32	\$2,289.69	\$333,312	50.9
Facility, age 65+, no SPMI	581.5	\$1,289.46	1.104	\$1,422.97	\$1,173.48	\$249.49	\$145,081	17.5
HCBS, age 65+, with SPMI	837.6	\$1,034.51	1.083	\$1,120.52	\$1,213.43	-\$92.91	-\$77,824	-8.3
HCBS, age 65+, no SPMI	3,760.4	\$1,011.53	1.344	\$1,359.31	\$1,265.88	\$93.43	\$351,354	6.9
Community, age 65+, with SPMI	717.9	\$810.10	1.299	\$1,052.44	\$1,100.69	-\$48.25	-\$34,640	-4.6
Community, age 65+, no SPMI	11,448.8	\$379.69	1.494	\$567.21	\$569.59	-\$2.38	-\$27,268	-0.4
Facility, age <65, with SPMI	279.6	\$2,379.98	0.957	\$2,278.20	\$1,861.64	\$416.57	\$116,488	18.3
Facility, age <65, no SPMI	533.2	\$2,297.99	0.995	\$2,286.30	\$2,433.57	-\$147.27	-\$78,528	-6.4
HCBS, age <65, with SPMI	4,880.5	\$772.55	1.003	\$775.00	\$942.64	-\$167.64	-\$818,167	-21.6
HCBS, age <65, no SPMI	11,823.4	\$710.14	1.127	\$800.19	\$803.57	-\$3.38	-\$39,923	-0.4
Community, age <65, with SPMI	7,418.4	\$693.73	1.128	\$782.29	\$807.04	-\$24.75	-\$183,636	-3.2
Community, age <65, no SPMI	19,312.6	\$611.16	1.196	\$730.94	\$706.09	\$24.85	\$479,842	3.4

Table 6.B
Savings calculation: Intervention and target PMPM, by category of beneficiary: Cohort 1B

Category of beneficiary	(a)'' Number of eligible months	(b) Baseline Period PMPM from intervention group	(c) AGA adjusted cost trend from comparison group	(d) Target Demonstration Period 1 PMPM	(e) Actual Demonstration Period 1 PMPM for intervention group	(f) PMPM savings = (d) – (e)	(g) Total savings = (a) * (f)	(h) Percent savings
Total	55,894.5	\$841.73	1.159	\$975.35	\$999.46	–\$24.11	–\$1,347,839	–2.5
Facility, age 65+, with SPMI	1,461.8	\$1,589.42	0.969	\$1,540.51	\$2,095.33	–\$554.83	–\$811,054	–36.0
Facility, age 65+, no SPMI	3,414.2	\$1,248.46	1.125	\$1,404.50	\$1,262.11	\$142.40	\$486,168	10.1
HCBS, age 65+, with SPMI	1,427.9	\$1,179.67	1.083	\$1,277.47	\$1,658.59	–\$381.12	–\$544,203	–29.8
HCBS, age 65+, no SPMI	6,597.8	\$1,190.52	1.357	\$1,616.05	\$1,531.53	\$84.52	\$557,643	5.2
Community, age 65+, with SPMI	590.0	\$808.76	1.308	\$1,057.52	\$1,294.82	–\$237.30	–\$140,002	–22.4
Community, age 65+, no SPMI	10,623.4	\$372.91	1.524	\$568.14	\$594.45	–\$26.31	–\$279,473	–4.6
Facility, age <65, with SPMI	1,068.6	\$1,735.89	0.957	\$1,661.31	\$1,783.07	–\$121.76	–\$130,110	–7.3
Facility, age <65, no SPMI	1,031.1	\$1,923.15	1.031	\$1,983.07	\$2,150.98	–\$167.91	–\$173,133	–8.5
HCBS, age <65, with SPMI	5,654.0	\$989.48	0.997	\$986.83	\$856.74	\$130.09	\$735,531	13.2
HCBS, age <65, no SPMI	9,001.5	\$843.80	1.129	\$953.01	\$1,126.98	–\$173.96	–\$1,565,907	–18.3
Community, age <65, with SPMI	5,180.1	\$717.72	1.138	\$816.81	\$668.31	\$148.50	\$769,246	18.2
Community, age <65, no SPMI	9,844.2	\$516.41	1.203	\$621.10	\$646.75	–\$25.65	–\$252,546	–4.1

Table 6.C
Savings calculation: Intervention and target PMPM, by category of beneficiary: Cohort 1C

Category of beneficiary	(a) Number of eligible months	(b) Baseline Period PMPM from intervention group	(c) AGA adjusted cost trend from comparison group	(d) Target Demonstration Period 1 PMPM	(e) Actual Demonstration Period 1 PMPM for intervention group	(f) PMPM savings = (d) – (e)	(g) Total savings = (a) * (f)	(h) Percent savings
Total	29,275.7	\$765.42	1.187	\$908.58	\$970.63	–\$62.05	–\$1,816,410	–6.8
Facility, age 65+, with SPMI	388.4	\$2,180.00	0.951	\$2,073.24	\$1,422.74	\$650.50	\$252,626	31.4
Facility, age 65+, no SPMI	2,616.3	\$1,091.11	1.124	\$1,226.01	\$1,327.34	–\$101.33	–\$265,105	–8.3
HCBS, age 65+, with SPMI	660.8	\$1,159.58	1.062	\$1,231.07	\$1,708.19	–\$477.12	–\$315,302	–38.8
HCBS, age 65+, no SPMI	3,899.4	\$997.31	1.372	\$1,367.91	\$1,500.29	–\$132.37	–\$516,166	–9.7
Community, age 65+, with SPMI	402.2	\$490.13	1.358	\$665.63	\$686.26	–\$20.62	–\$8,294	–3.1
Community, age 65+, no SPMI	5,314.0	\$510.47	1.537	\$784.37	\$658.72	\$125.64	\$667,673	16.0
Facility, age <65, with SPMI	317.6	\$1,564.17	0.969	\$1,515.32	\$1,181.46	\$333.86	\$106,029	22.0
Facility, age <65, no SPMI	464.9	\$2,291.46	1.015	\$2,324.96	\$2,182.87	\$142.09	\$66,060	6.1
HCBS, age <65, with SPMI	2,974.1	\$671.33	0.985	\$661.51	\$842.87	–\$181.36	–\$539,381	–27.4
HCBS, age <65, no SPMI	4,459.2	\$741.68	1.143	\$847.61	\$1,010.79	–\$163.18	–\$727,652	–19.3
Community, age <65, with SPMI	2,861.8	\$625.66	1.141	\$713.72	\$602.52	\$111.20	\$318,238	15.6
Community, age <65, no SPMI	4,917.0	\$444.32	1.214	\$539.23	\$713.14	–\$173.91	–\$855,136	–32.3

Table 6.D
Savings calculation: Intervention and target PMPM, by category of beneficiary: Cohort 1D

Category of beneficiary	(a) Number of eligible months	(b) Baseline Period PMPM from intervention group	(c) AGA adjusted cost trend from comparison group	(d) Target Demonstration Period 1 PMPM	(e) Actual Demonstration Period 1 PMPM for intervention group	(f) PMPM savings = (d) – (e)	(g) Total savings = (a) * (f)	(h) Percent savings
Total	23,680.5	\$596.42	1.154	\$688.41	\$763.94	-\$75.53	-\$1,788,676	-11.0
Facility, age 65+, with SPMI	492.9	\$1,490.64	0.945	\$1,408.43	\$1,207.10	\$201.33	\$99,233	14.3
Facility, age 65+, no SPMI	1,645.7	\$1,221.08	1.109	\$1,354.43	\$1,437.36	-\$82.94	-\$136,488	-6.1
HCBS, age 65+, with SPMI	379.1	\$974.87	1.042	\$1,015.53	\$1,973.23	-\$957.71	-\$363,035	-94.3
HCBS, age 65+, no SPMI	2,243.2	\$799.05	1.367	\$1,092.37	\$1,242.38	-\$150.01	-\$336,500	-13.7
Community, age 65+, with SPMI	223.8	\$544.80	1.344	\$732.09	\$483.09	\$249.00	\$55,735	34.0
Community, age 65+, no SPMI	5,548.8	\$310.44	1.534	\$476.35	\$477.44	-\$1.10	-\$6,083	-0.2
Facility, age <65, with SPMI	262.1	\$1,176.02	0.965	\$1,134.49	\$993.60	\$140.89	\$36,922	12.4
Facility, age <65, no SPMI	356.5	\$1,116.97	1.001	\$1,117.74	\$1,854.70	-\$736.96	-\$262,705	-65.9
HCBS, age <65, with SPMI	1,792.1	\$750.16	0.976	\$732.20	\$898.55	-\$166.35	-\$298,121	-22.7
HCBS, age <65, no SPMI	3,042.6	\$535.93	1.141	\$611.64	\$706.84	-\$95.20	-\$289,669	-15.6
Community, age <65, with SPMI	2,304.7	\$598.76	1.138	\$681.30	\$542.03	\$139.27	\$320,969	20.4
Community, age <65, no SPMI	5,389.1	\$350.78	1.215	\$426.26	\$539.25	-\$112.99	-\$608,936	-26.5

Table 6.E
Savings calculation: Intervention and target PMPM, by category of beneficiary: Cohort 1E

Category of beneficiary	(a) Number of eligible months	(b) Baseline Period PMPM from intervention group	(c) AGA adjusted cost trend from comparison group	(d) Target Demonstration Period 1 PMPM	(e) Actual Demonstration Period 1 PMPM for intervention group	(f) PMPM savings = (d) – (e)	(g) Total savings = (a) * (f)	(h) Percent savings
Total	21,358.0	\$697.62	1.142	\$796.88	\$832.32	–\$35.44	–\$756,849	–4.4
Facility, age 65+, with SPMI	521.9	\$1,653.95	0.940	\$1,554.74	\$1,804.82	–\$250.09	–\$130,509	–16.1
Facility, age 65+, no SPMI	2,084.6	\$997.55	1.099	\$1,095.87	\$1,120.06	–\$24.19	–\$50,423	–2.2
HCBS, age 65+, with SPMI	392.8	\$1,090.81	1.031	\$1,124.71	\$1,431.27	–\$306.56	–\$120,418	–27.3
HCBS, age 65+, no SPMI	2,391.0	\$1,097.50	1.365	\$1,497.76	\$1,727.13	–\$229.37	–\$548,420	–15.3
Community, age 65+, with SPMI	114.8	\$990.89	1.376	\$1,363.90	\$1,416.02	–\$52.12	–\$5,984	–3.8
Community, age 65+, no SPMI	4,013.7	\$284.07	1.548	\$439.88	\$420.48	\$19.39	\$77,840	4.4
Facility, age <65, with SPMI	634.3	\$1,531.37	0.962	\$1,473.42	\$999.13	\$474.30	\$300,848	32.2
Facility, age <65, no SPMI	426.4	\$1,573.82	0.992	\$1,560.52	\$1,257.88	\$302.63	\$129,052	19.4
HCBS, age <65, with SPMI	1,771.8	\$590.99	0.976	\$576.69	\$764.59	–\$187.90	–\$332,928	–32.6
HCBS, age <65, no SPMI	2,924.2	\$678.13	1.144	\$775.75	\$688.06	\$87.69	\$256,426	11.3
Community, age <65, with SPMI	1,772.3	\$524.04	1.136	\$595.30	\$785.02	–\$189.72	–\$336,254	–31.9
Community, age <65, no SPMI	4,310.1	\$384.08	1.228	\$471.80	\$470.89	\$0.91	\$3,921	0.2

Table 6.F
Savings calculation: Intervention and target PMPM, by category of beneficiary: Cohort 1F

Category of beneficiary	(a) Number of eligible months	(b) Baseline Period PMPM from intervention group	(c) AGA adjusted cost trend from comparison group	(d) Target Demonstration Period 1 PMPM	(e) Actual Demonstration Period 1 PMPM for intervention group	(f) PMPM savings = (d) – (e)	(g) Total savings = (a) * (f)	(h) Percent savings
Total	19,283.7	\$972.49	1.162	\$1,129.72	\$1,127.28	\$2.44	\$46,987	0.2
Facility, age 65+, with SPMI	573.8	\$2,017.49	0.940	\$1,897.34	\$1,579.56	\$317.79	\$182,357	16.7
Facility, age 65+, no SPMI	1,997.1	\$1,500.98	1.094	\$1,642.03	\$1,274.85	\$367.19	\$733,317	22.4
HCBS, age 65+, with SPMI	516.4	\$1,607.72	1.053	\$1,692.96	\$2,216.28	-\$523.31	-\$270,252	-30.9
HCBS, age 65+, no SPMI	2,465.4	\$984.32	1.372	\$1,350.39	\$1,311.72	\$38.66	\$95,323	2.9
Community, age 65+, with SPMI	251.4	\$697.19	1.359	\$947.34	\$522.33	\$425.02	\$106,864	44.9
Community, age 65+, no SPMI	3,950.0	\$414.17	1.567	\$648.90	\$729.74	-\$80.84	-\$319,336	-12.5
Facility, age <65, with SPMI	440.5	\$1,735.49	0.950	\$1,648.07	\$1,619.45	\$28.61	\$12,603	1.7
Facility, age <65, no SPMI	410.8	\$2,712.03	0.991	\$2,687.46	\$2,059.34	\$628.12	\$258,004	23.4
HCBS, age <65, with SPMI	1,300.3	\$873.65	0.974	\$851.09	\$933.78	-\$82.68	-\$107,511	-9.7
HCBS, age <65, no SPMI	2,183.5	\$999.88	1.144	\$1,143.60	\$1,583.93	-\$440.34	-\$961,460	-38.5
Community, age <65, with SPMI	1,654.2	\$723.80	1.146	\$829.74	\$1,106.00	-\$276.27	-\$456,992	-33.3
Community, age <65, no SPMI	3,540.3	\$818.02	1.245	\$1,018.60	\$799.96	\$218.64	\$774,070	21.5

Table 6.G
Savings calculation: Intervention and target PMPM, by category of beneficiary: Cohort 1G

Category of beneficiary	(a) Number of eligible months	(b) Baseline Period PMPM from intervention group	(c) AGA adjusted cost trend from comparison group	(d) Target Demonstration Period 1 PMPM	(e) Actual Demonstration Period 1 PMPM for intervention group	(f) PMPM savings = (d) – (e)	(g) Total savings = (a) * (f)	(h) Percent savings
Total	9,846.2	\$1,360.37	1.148	\$1,561.61	\$1,706.71	–\$145.09	–\$1,428,609	–9.3
Facility, age 65+, with SPMI	352.7	\$2,089.72	0.930	\$1,943.02	\$1,629.84	\$313.18	\$110,461	16.1
Facility, age 65+, no SPMI	1,160.1	\$1,623.47	1.084	\$1,759.69	\$1,584.40	\$175.29	\$203,357	10.0
HCBS, age 65+, with SPMI	292.0	\$1,218.25	1.020	\$1,243.16	\$1,572.47	–\$329.31	–\$96,158	–26.5
HCBS, age 65+, no SPMI	1,642.7	\$1,096.89	1.358	\$1,489.86	\$1,646.04	–\$156.18	–\$256,562	–10.5
Community, age 65+, with SPMI	79.0	\$1,129.38	1.371	\$1,548.29	\$1,379.45	\$168.84	\$13,338	10.9
Community, age 65+, no SPMI	1,249.8	\$621.79	1.554	\$966.14	\$947.95	\$18.18	\$22,722	1.9
Facility, age <65, with SPMI	217.0	\$2,813.88	0.923	\$2,597.15	\$2,765.30	–\$168.14	–\$36,487	–6.5
Facility, age <65, no SPMI	240.4	\$3,651.08	0.988	\$3,607.69	\$5,034.09	–\$1,426.41	–\$342,859	–39.5
HCBS, age <65, with SPMI	814.8	\$1,258.91	0.998	\$1,256.00	\$1,837.88	–\$581.87	–\$474,106	–46.3
HCBS, age <65, no SPMI	1,833.2	\$1,352.05	1.163	\$1,572.43	\$1,606.55	–\$34.12	–\$62,555	–2.2
Community, age <65, with SPMI	706.4	\$1,150.85	1.167	\$1,342.67	\$1,837.09	–\$494.42	–\$349,235	–36.8
Community, age <65, no SPMI	1,258.2	\$1,443.26	1.225	\$1,767.57	\$1,895.16	–\$127.59	–\$160,525	–7.2

Table 6.H
Savings calculation: Intervention and target PMPM, by category of beneficiary: Cohort 1 Total

Category of beneficiary	(a) Number of eligible months	(b) Baseline Period PMPM from intervention group	(c) AGA adjusted cost trend from comparison group	(d) Target Demonstration Period 1 PMPM	(e) Actual Demonstration Period 1 PMPM for intervention group	(f) PMPM savings = (d) – (e)	(g) Total savings = (a) * (f)	(h) Percent savings
Total	221,078.1	\$805.48	1.131	\$910.99	\$942.31	–\$31.33	–\$6,925,306	–3.4
Facility, age 65+, with SPMI	3,937.0	\$1,846.47	0.962	\$1,775.83	\$1,766.58	\$9.25	\$36,426	0.5
Facility, age 65+, no SPMI	13,499.6	\$1,262.10	1.095	\$1,382.61	\$1,299.94	\$82.66	\$1,115,908	6.0
HCBS, age 65+, with SPMI	4,506.7	\$1,193.37	1.049	\$1,251.54	\$1,648.10	–\$396.57	–\$1,787,192	–31.7
HCBS, age 65+, no SPMI	22,999.9	\$1,046.34	1.368	\$1,431.14	\$1,459.55	–\$28.41	–\$653,328	–2.0
Community, age 65+, with SPMI	2,379.2	\$740.36	1.322	\$978.56	\$984.02	–\$5.46	–\$12,983	–0.6
Community, age 65+, no SPMI	42,148.5	\$390.80	1.510	\$590.22	\$586.99	\$3.23	\$136,076	0.5
Facility, age <65, with SPMI	3,219.6	\$1,772.87	0.949	\$1,681.86	\$1,555.67	\$126.19	\$406,292	7.5
Facility, age <65, no SPMI	3,463.2	\$2,163.91	0.985	\$2,130.85	\$2,247.54	–\$116.68	–\$404,108	–5.5
HCBS, age <65, with SPMI	19,187.6	\$836.47	0.984	\$823.10	\$918.72	–\$95.62	–\$1,834,683	–11.6
HCBS, age <65, no SPMI	35,267.6	\$806.42	1.102	\$888.30	\$984.44	–\$96.14	–\$3,390,741	–10.8
Community, age <65, with SPMI	21,897.9	\$690.13	1.126	\$777.39	\$773.63	\$3.76	\$82,337	0.5
Community, age <65, no SPMI	48,571.3	\$572.57	1.188	\$680.29	\$693.04	–\$12.75	–\$619,311	–1.9

Table 7A summarizes the savings calculation by cohort, by age, by SPMI status, and by Facility Status. The total additional cost (negative savings) was \$6.9 million for Cohort 1, or -3.4 percent, with the largest additional cost coming from Cohorts 1B, 1C, 1D, and 1G. The first cohort (1A), which was also the largest, produced savings of 0.3 percent. Both the under 65 (disabled) and over 65 (aged) experienced additional costs, 1.3 percent and 5.2 percent, although the aged experienced greater additional costs. Likewise, both those without and with SPMI experienced additional costs, 2.6 percent and 5.8 percent, although those with SPMI experienced greater additional costs. By Facility Status, however, only the HCBS category experienced significant additional costs (8.9 percent), while those in a facility experienced savings of 3.0 percent and those in the community experienced a small additional cost of 0.5 percent.

In order to examine the additional costs for the HCBS category, we tabulated the savings by type of service for the HCBS category only and displayed the results in **Table 7B**. It can be seen from **Table 7B** that the additional costs for the HCBS category is concentrated in the Inpatient Hospital, SNF, hospice types of service, where the additional costs were 16 percent, 78 percent, and 83 percent, respectively. For Inpatient services, the PMPM in the Baseline Period was \$320.53 and the comparison group costs increased by 7.8 percent resulting in a target PMPM of \$345.52. Intervention group costs increased by 25 percent to \$402.00, or by \$56.48 PMPM over the target. For SNF services, the PMPM in the Baseline Period was \$56.74 and the comparison group costs increased by 4.3 percent resulting in a target PMPM of \$59.17. Intervention group costs increased by 86 percent to \$105.53, or by \$46.36 over the target.

5.2 Outlier Adjustment

To ensure that a disproportionate number of high-cost beneficiaries were not making an undue impact on either the intervention or the comparison group, we tabulated the costs of each beneficiary in Cohort 1 separately for the baseline and Demonstration Period 1, but for the intervention and comparison groups combined. The beneficiaries were then ranked by total Medicare costs and the costs for the 99th percentile were determined. **Table 8** shows the results of this tabulation. These results are used to make the outlier adjustment as shown in **Table 9**, which has the same column headings as **Table 7A**. For the intervention group PMPM in the Baseline Period and in Demonstration Period 1, the truncated PMPMs are substituted for the untruncated PMPMs.

The comparison group trend is modified by a factor that is derived from the ratio of the trend for the truncated PMPMs to that of the untruncated PMPMs. For Cohort 1, the trend factor from the Baseline Period to Demonstration Period 1 is 1.16902 ($= \$1,040.42 / \890.00) for the untruncated PMPMs, and it is 1.16653 ($= \$994.68 / \852.68) for the truncated PMPMs. The ratio of these trend factors is the outlier adjustment factor 0.99787 ($= 1.16903 / 1.16653$) that is to be applied to the comparison group trend. Compared to the savings determined with the unadjusted PMPMs, the truncated PMPMs will show more savings if there are more outliers in the intervention group than the comparison group during Demonstration Period 1 and less if so during the Baseline Period. The outlier adjustment for Cohort 1 is less than 1.0, increasing the cost (i.e., negative savings) from 3.4 percent to 4.0 percent.

5.3 Attributed Savings

Cohort 1 consists of those who are eligible for the demonstration on the start date of September 1, 2014, would have been eligible at least three months during the Baseline Period, and who the State indicated were eligible during the phase in period from September 2014 through May 2015. On every succeeding January 1, starting in 2016, a new cohort is formed based on meeting the eligibility criteria for the demonstration. These newly eligible beneficiaries did not meet the eligibility criteria for inclusion in a previous cohort for the actuarial analysis but may have subsequently met the eligibility criteria prior to their first cohort Demonstration Period. For example, beneficiaries in Cohort 2 have to be eligible on January 1, 2016, but may have become eligible and enrolled in the demonstration between June 2015 and that date.

In accordance with the Final Demonstration Agreement, to reflect the fact that Cohort 2 beneficiaries were enrolled in the demonstration during a portion of Demonstration Period 1 even though their actual cost experience would not be included in the Demonstration Period 1 savings calculation, the actual Demonstration Period 1 savings experienced by Cohort 1 was proportionately attributed to Cohort 2 enrollees for the months that Cohort 2 beneficiaries were enrolled in the demonstration.

This attribution approach will continue throughout the demonstration. For example, for the upcoming Demonstration Period 2 savings calculation, the actual cost experience for both Cohort 1 and Cohort 2 will be included in the calculation, and the actual Cohort 2 experience will be attributed to a new Cohort 3. During the baseline period for each cohort, all months for which a beneficiary meets the basic eligibility requirements are included in determining the baseline PMPMs, and those months for which CO also flagged demonstration eligibility are included in the attributed savings calculation.

Table 9 shows the amount of attributed savings for Cohort 2. For Cohort 2, there were 60,452.2 months of eligibility during the months September 2014 through December 2015 and the PMPM during those months was \$1,001.29. The savings percentage for Cohort 1 during Demonstration Period 1 was -4.0 percent. Applying the -4.0 percent to the \$1,001.29 PMPM yields attributed savings of -\$40.49 PMPM. Multiplying this savings PMPM times the months of eligibility results in -\$2,447,744 of attributed savings.

5.4 Summary of Total Savings

Table 9 shows the total savings for both cohorts, including the outlier adjustment and the attributed savings. Before adding the attributed savings, the total dollar additional cost (negative savings) was \$7,805,304. The total PMPM additional cost was \$35.31 for Cohort 1, which represents a 4.0 percent additional cost rate. The attributed additional costs were \$2,447,744 million for Cohort 2. Thus, the total additional costs for both cohorts were \$10,253,047, or \$36.42 PMPM.

Table 7A
Summary of demonstration savings by cohort, age group, SPMI, and facility status

Cohort	(a) Number of eligible months	(b) Baseline Period PMPM from intervention group	(c) AGA adjusted cost trend from comparison group	(d) Target Demonstration Period 1 PMPM	(e) Actual Demonstration Period 1 PMPM for intervention group	(f) PMPM savings = (d) - (e)	(g) Total savings = (a) * (f)	(h) Savings percent = f/d
1 - Total	221,078.1	\$805.48	1.131	\$910.99	\$942.31	-\$31.33	-\$6,925,306	-3.4
1A	61,739.5	\$683.06	1.181	\$806.63	\$803.94	\$2.69	\$166,090	0.3
1B	55,894.5	\$841.73	1.159	\$975.35	\$999.46	-\$24.11	-\$1,347,839	-2.5
1C	29,275.7	\$765.42	1.187	\$908.58	\$970.63	-\$62.05	-\$1,816,410	-6.8
1D	23,680.5	\$596.42	1.154	\$688.41	\$763.94	-\$75.53	-\$1,788,676	-11.0
1E	21,358.0	\$697.62	1.142	\$796.88	\$832.32	-\$35.44	-\$756,849	-4.4
1F	19,283.7	\$972.49	1.162	\$1,129.72	\$1,127.28	\$2.44	\$46,987	0.2
1G	9,846.2	\$1,360.37	1.148	\$1,561.61	\$1,706.71	-\$145.09	-\$1,428,609	-9.3
<65	89,470.8	\$913.19	1.119	\$1,021.76	\$1,034.78	-\$13.02	-\$1,165,092	-1.3
65+	131,607.3	\$819.13	1.020	\$835.68	\$879.45	-\$43.77	-\$5,760,214	-5.2
no SPMI	165,950.1	\$779.44	1.146	\$893.09	\$916.08	-\$22.99	-\$3,815,503	-2.6
with SPMI	55,128.0	\$1,079.24	0.894	\$964.87	\$1,021.28	-\$56.41	-\$3,109,803	-5.8
Facility	24,119.5	\$1,678.67	0.950	\$1,594.18	\$1,546.31	\$47.87	\$1,154,518	3.0
HCBS	81,961.8	\$961.71	1.087	\$1,045.34	\$1,138.87	-\$93.53	-\$7,665,944	-8.9
Community	114,996.8	\$556.37	1.208	\$671.94	\$675.54	-\$3.60	-\$413,881	-0.5

Table 7B
Summary of demonstration savings for the HCBS cells by type of service

Cohort	(a) Number of eligible months	(b) Baseline Period PMPM from intervention group	(c) AGA adjusted cost trend from comparison group	(d) Target Demonstration Period 1 PMPM	(e) Actual Demonstration Period 1 PMPM for intervention group	(f) PMPM savings = (d) - (e)	(g) Total savings = (a) * (f)	(h) Savings percent = f/d
DME	81,961.8	\$69.29	1.150	\$79.68	\$73.54	\$6.15	\$503,763	7.7
HHA	81,961.8	\$65.59	1.096	\$71.87	\$62.24	\$9.63	\$789,424	13.4
HSP	81,961.8	\$16.38	1.015	\$16.62	\$30.48	-\$13.85	-\$1,135,330	-83.3
INP	81,961.8	\$320.53	1.078	\$345.52	\$402.00	-\$56.48	-\$4,629,443	-16.3
OUT	81,961.8	\$242.84	1.106	\$268.56	\$254.23	\$14.33	\$1,174,661	5.3
PHY	81,961.8	\$190.34	1.071	\$203.91	\$210.85	-\$6.94	-\$569,024	-3.4
SNF	81,961.8	\$56.74	1.043	\$59.17	\$105.53	-\$46.36	-\$3,799,995	-78.4
HCBS TOTAL	81,961.8	\$961.71	1.087	\$1,045.34	\$1,138.87	-\$93.53	-\$7,665,944	-8.9

**Table 8
Outlier adjustment data**

Group	Total number of beneficiaries	Number of beneficiaries in the top 1 percentile	Total PMPM	PMPM after truncating costs to the 99th percentile	Truncated PMPM/ total PMPM
Cohort 1 – Baseline Period	19,725	172	\$805.48	\$773.61	96.043%
Intervention					
Comparison	57,325	599	\$890.00	\$852.68	95.808%
Cohort 1 – Demonstration Period 1	19,725	156	\$942.31	\$908.38	96.399%
Intervention					
Comparison	57,325	615	\$1,040.42	\$994.68	95.603%
Comparison group trend			1.16902	1.16653	0.99787

NOTE: The 99th percentile costs were:

Cohort 1 – Baseline Period = \$152,948.14

Cohort 1 – Demonstration Period 1 = \$119,745.79

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**Table 9
Summary of demonstration savings by cohort, including the outlier adjustment and attributed savings**

Cohort	(a) Number of eligible months	(b) Baseline Period PMPM from intervention group	(c) AGA adjusted cost trend from comparison group	(d) Target Demonstration Period 1 PMPM	(e) Actual Demonstration Period 1 PMPM for intervention group	(f) PMPM savings = (d) – (e)	(g) Total savings = (a) * (f)	(h) Savings percent = f/d
Cohort 1 – total	221,078.1	\$805.48	1.13098	\$910.99	\$942.31	-\$31.33	-\$6,925,306	-3.4
Outlier adjusted	221,078.1	\$773.61	1.12857	\$873.07	\$908.38	-\$35.31	-\$7,805,304	-4.0
Cohort 2 Attributed Savings	60,452.2	\$1,001.29				-\$40.49	-\$2,447,744	
Total Cohorts 1+2	281,530.3	\$822.50				-\$36.42	-\$10,253,047	

5.5 Additional Analysis

Table 10 and *Table 11* show additional analysis of the savings by month and by type of service, respectively. These tables include the AGA adjustment but not the outlier adjustment (which cannot be disaggregated to individual months or types of service because it is calculated in aggregate across all months and types of service). *Table 10* shows, for each month of Demonstration Period 1, the target PMPM, the actual intervention PMPM, and the ratio of the intervention PMPM to the target PMPM (the I/T ratio). A ratio less than 1.00 shows savings, whereas a ratio greater than 1.00 shows negative savings.

For Cohort 1, the I/T ratio varies from a low of 0.94 in October 2014 to a high of 1.10 in July 2015. Generally, the ratio is above 1.00 and does not exhibit any trend or seasonality.

Table 11 shows the I/T ratio by type of service. For Cohort 1, the lowest I/T ratio is 0.88 for durable medical equipment, which represents \$6.76 PMPM savings. In addition, there is significant savings in dollar terms (\$20.84 PMPM) for outpatient hospital services. Two other types of service showing savings: home health agency (which experienced an I/T ratio of 0.89 and PMPM savings of \$4.24) and professional services (which experienced an I/T ratio of 0.99 and PMPM savings of \$2.29). All other types of service experience negative savings, especially inpatient hospital services (which had an I/T ratio of 1.13 and PMPM costs of \$37.78) and hospice services (which had an I/T ratio of 1.88 and PMPM costs of \$16.07).

Table 10
PMPM costs for intervention and comparison groups, by month: Cohort 1

Month	Intervention group		PMPM			Ratio (I/T)
	Incurred claims	Member months	Intervention	Comparison	Target	
Baseline	\$317,479,890	394,148.0	\$805	\$925	—	—
Sep-14	\$3,663,092	4,528.4	\$809	\$937	\$807	1.00
Oct-14	\$7,401,012	8,670.0	\$854	\$1,047	\$912	0.94
Nov-14	\$7,150,301	8,521.6	\$839	\$954	\$830	1.01
Dec-14	\$10,003,372	10,871.8	\$920	\$1,079	\$923	1.00
Jan-15	\$11,554,583	12,624.2	\$915	\$1,024	\$842	1.09
Feb-15	\$11,596,521	14,530.9	\$798	\$1,003	\$805	0.99
Mar-15	\$15,015,747	16,397.2	\$916	\$1,075	\$894	1.02
Apr-15	\$15,413,719	16,210.1	\$951	\$1,113	\$923	1.03
May-15	\$16,806,551	17,069.0	\$985	\$1,077	\$937	1.05
Jun-15	\$16,209,348	16,742.2	\$968	\$1,114	\$967	1.00
Jul-15	\$17,228,247	16,442.6	\$1,048	\$1,103	\$955	1.10
Aug-15	\$16,276,797	16,226.0	\$1,003	\$1,088	\$937	1.07
Sep-15	\$15,202,933	15,954.6	\$953	\$1,078	\$933	1.02
Oct-15	\$15,328,090	15,712.7	\$976	\$1,107	\$953	1.02
Nov-15	\$14,463,564	15,477.6	\$934	\$1,034	\$894	1.05
Dec-15	\$15,011,026	15,099.1	\$994	\$1,074	\$927	1.07
Total demonstration	\$208,324,905	221,078.1	\$942	\$1,067	\$911	1.03

— = not applicable at baseline.

Table 11
PMPM costs based on incurred Medicare claims for Cohort 1

Type of service	Intervention Group		PMPM			Ratio (I/T)
	Incurred Claims	Member Months	Intervention Group	Target	Savings	
Baseline	\$317,479,890	394,148.0	\$805.48	—	—	—
Durable medical equipment	\$10,577,554	221,078.1	\$47.85	\$54.60	6.76	0.88
Home health agency	\$7,600,349	221,078.1	\$34.38	\$38.62	4.24	0.89
Hospice	\$7,586,732	221,078.1	\$34.32	\$18.25	-16.07	1.88
Inpatient	\$73,066,425	221,078.1	\$330.50	\$292.72	-37.78	1.13
Outpatient	\$49,803,252	221,078.1	\$225.27	\$246.12	20.84	0.92
Professional	\$41,645,150	221,078.1	\$188.37	\$190.66	2.29	0.99
SNF	\$18,045,442	221,078.1	\$81.62	\$70.02	-11.61	1.17
Total	\$208,324,905	221,078.1	\$942.31	\$910.99	-31.33	1.03

— = not applicable at baseline.