

REVIEW OF ACOs AND MEDICAID COSTS

January 27, 2020



MEDICAID 365 DAY MOVING SUM COST (BILLIONS \$)

— Pre-ACO — ACOs Runup — ACOs

BILLIONS

\$4.3

\$3.8

\$3.3

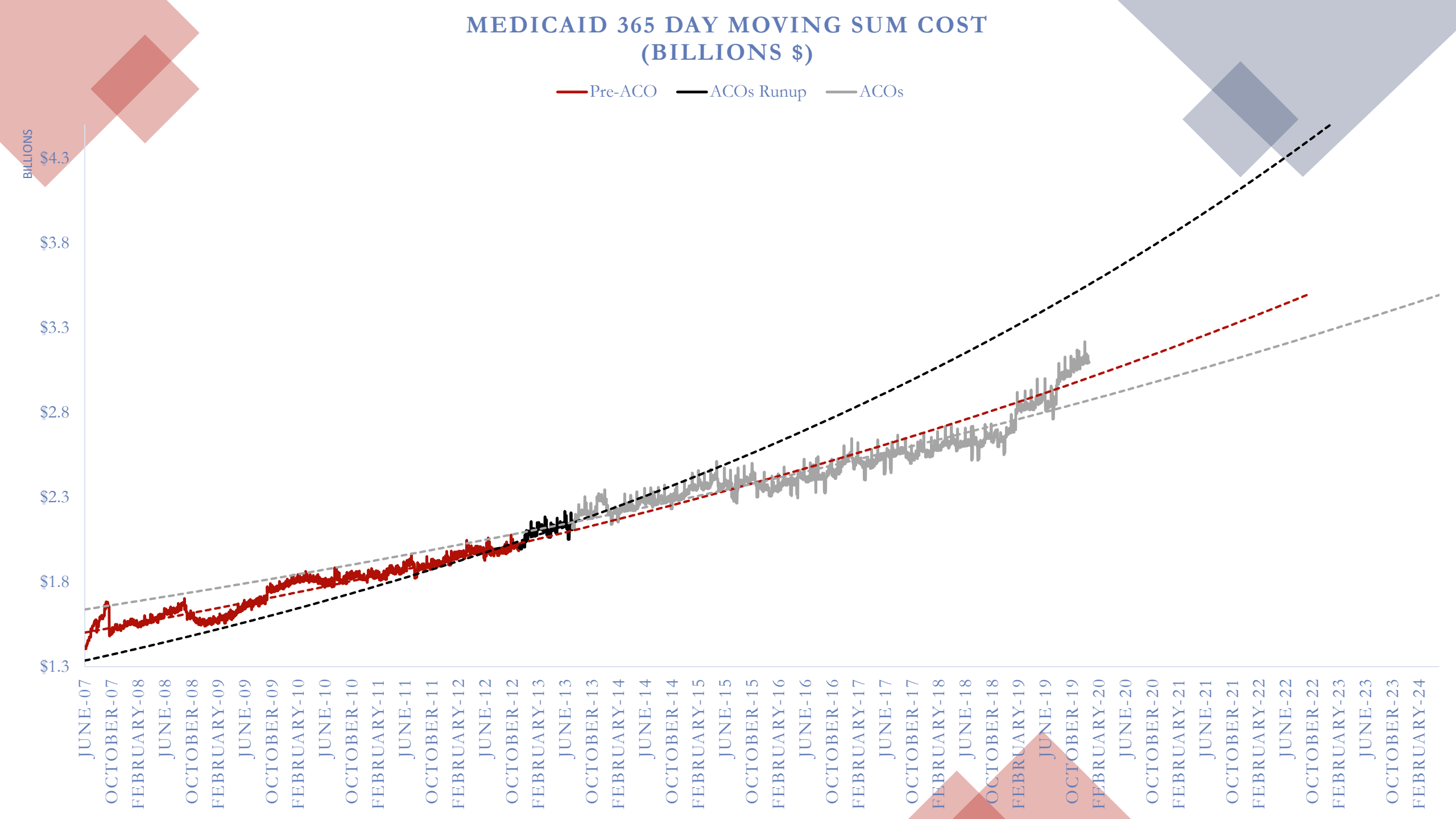
\$2.8

\$2.3

\$1.8

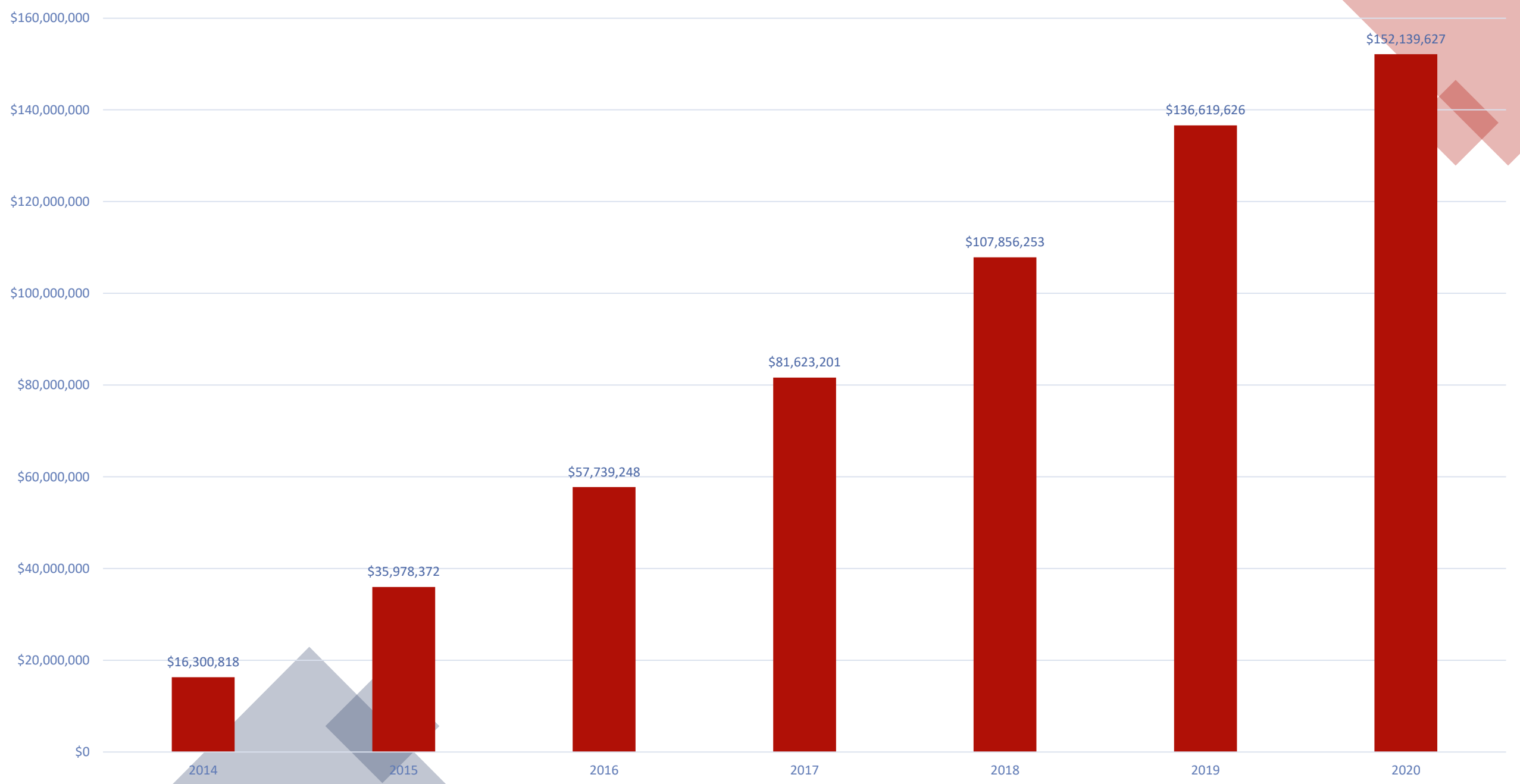
\$1.3

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Savings from ACO by Fiscal Year Assuming Exponential Growth Patterns for Pre- and Post-ACOs

This is based on the assumption of growth pattern, not on regression analysis



ARIMA regression

Sample: 2006m9 - 2019m12

Number of obs = 160

Wald chi2(10) = 749.19

Log likelihood = -3061.606

Prob > chi2 = 0

ExpendituresQ	Coef.	Std. Err.	z	P>z	[95% Conf.	Interval]
ExpendituresQ						
ACO	61,400,000.00	64,700,000.00	0.95	0.34	-65,400,000.00	188,000,000.00
MedicaidLessChildren	1,149.82	1,868.64	0.62	0.54	-2,512.64	4,812.28
population	348.93	141.21	2.47	0.01	72.16	625.71
ACORunout1	-25,500,000.00	70,000,000.00	-0.36	0.72	-163,000,000.00	112,000,000.00
FederalReformMandatory	-19,900,000.00	59,700,000.00	-0.33	0.74	-137,000,000.00	97,100,000.00
expansion	75,000,000.00	26,600,000.00	2.82	0.01	22,900,000.00	127,000,000.00
tam	544,695.60	28,300,000.00	0.02	0.99	-54,900,000.00	56,000,000.00
DWSStructuralShift	1,691,811.00	38,900,000.00	0.04	0.97	-74,500,000.00	77,900,000.00
_cons	-650,000,000.00	256,000,000.00	-2.54	0.01	-1,150,000,000.00	-148,000,000.00

ARMA

ar

L1. 0.18 0.23 0.77 0.44 -0.27 0.62

ma

L1. 0.14 0.25 0.59 0.56 -0.34 0.63

/sigma 49,400,000.00 2,002,954.00 24.67 0.00 45,500,000.00 53,300,000.00



LEGISLATURE

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