

Accelerating Innovation in Health Care Payment and Delivery: The CMS Innovation Center



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We need delivery system and payment transformation

Current State –

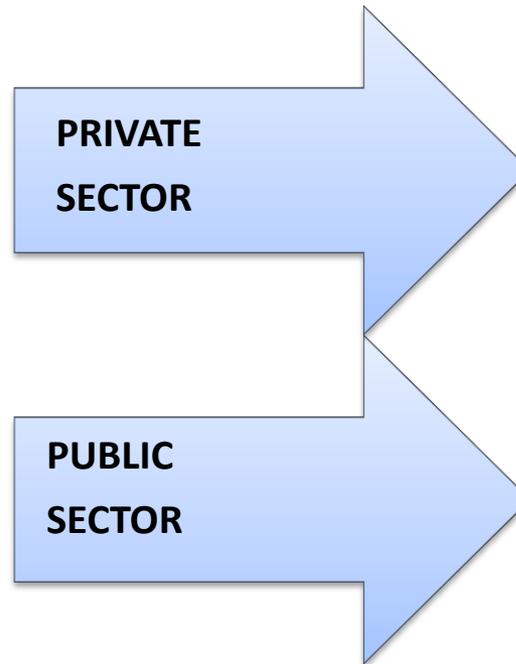
Producer-Centered

Volume-Driven

Unsustainable

**Fragmented Care
Systems**

FFS Payment Systems



Future State –

People-Centered

Outcomes-Driven

Sustainable

**Coordinated Care
Systems**

New Payment Systems

- Value-based purchasing
- ACO shared savings
- Episode-based payments
- Care management fees
- Data transparency

CMS Measures of Success

- **Better care and lower costs:**
Beneficiaries receive high quality, coordinated, effective, efficient care. As a result, health care costs are reduced.
- **Improved prevention and population health:**
All Americans are healthier and their care is less costly because of improved health status resulting from use of preventive benefits and necessary health services
- **Expanded health care coverage:**
All Americans have access to affordable health insurance options that protect them from financial hardship and ensure quality health care coverage.

CMS Policy Levers

- Payment policy
 - Value Based Purchasing Initiatives
 - Performance based alternatives: CMMI test of models
- Benefit design (coverage determinations)
- Public reporting of providers' cost and quality performance
- Regulation: Survey & Certification / Conditions of Participation
- Leverage through collaboration
 - States (Public Health/Medicaid)
 - Private payers
 - Federal partners CDC, HRSA, ACL, AHRQ

Hospital Value-based purchasing

- Inpatient Quality Report / Hospital Compare (1% penalty)
- Hospital VBP Program, 2013
 - \$850 million awarded to hospitals based on performance
 - funded by a 1% withhold (2% in 2017)
 - 12 clinical quality measures/8 patient experience measures
 - rewards attainment and improvement
- Payments cut 1% for high readmission rates (3% in 2015)
- Payments cut 1% for hospitals in top 25th percentile HAC

Physician Value-based purchasing

- Overview of incentive programs:
 - Physician Quality Reporting System (PQRS)
 - ePrescribing (eRx)
 - Electronic Health Record (EHR) Incentive Programs
 - Value-Based Payment Modifier (VM)

The CMS Innovation Center

Identify, Test, Evaluate, Scale

“ The purpose of the [Center] is to test innovative payment and service delivery models to reduce program expenditures...while preserving or enhancing the quality of care furnished to individuals under such titles.

- *The Affordable Care Act*

CMS Innovations Portfolio

Accountable Care Organizations (ACOs)

- Medicare Shared Savings Program (Center for Medicare)
- Pioneer ACO Model
- Advance Payment ACO Model
- Comprehensive ERSD Care Initiative

Primary Care Transformation

- Comprehensive Primary Care Initiative (CPC)
- Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration
- Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration
- Independence at Home Demonstration
- Graduate Nurse Education Demonstration

Bundled Payment for Care Improvement

- Model 1: Retrospective Acute Care
- Model 2: Retrospective Acute Care Episode & Post Acute
- Model 3: Retrospective Post Acute Care
- Model 4: Prospective Acute Care

Capacity to Spread Innovation

- Partnership for Patients
- Community-Based Care Transitions Program
- Million Hearts

Health Care Innovation Awards (Rounds 1 & 2)

State Innovation Models Initiative (Rounds 1 & 2)

Initiatives Focused on the Medicaid Population

- Medicaid Emergency Psychiatric Demonstration
- Medicaid Incentives for Prevention of Chronic Diseases
- Strong Start Initiative

Medicare-Medicaid Enrollees

- Financial Alignment Initiative
- Initiative to Reduce Avoidable Hospitalizations of Nursing Facility Residents

Rapid Cycle Evaluation

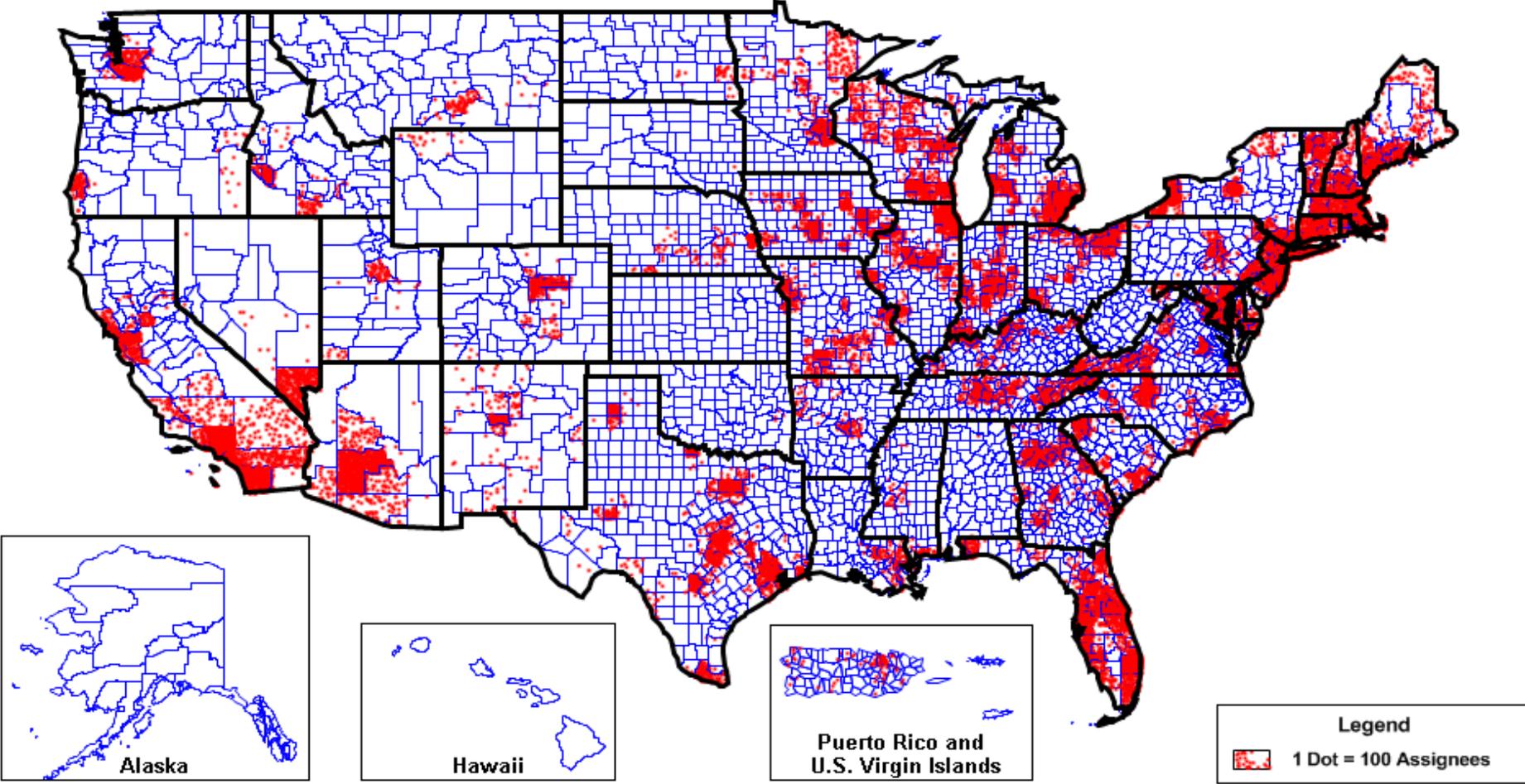
Learning and Diffusion

Accountable Care

- Medicare Shared Savings Program (Center for Medicare)
- Pioneer ACO Model
- Advance Payment Model
- Comprehensive ESRD Care Initiative

4 million Medicare beneficiaries having care coordinated by 220 SSP and 32 Pioneers ACOs

(Geographic Distribution of ACO Population)



Quality Measurement & Performance for ACOs

- 33 Quality measures are separated into the following four key domains:
 - Better Care
 1. Patient/Caregiver Experience
 2. Care Coordination/Patient Safety
 - Better Health
 3. Preventive Health
 4. At-Risk Population
- ACOs must meet quality targets to share in savings and the amount of savings shared depends on quality performance

Primary Care

- Comprehensive Primary Care (CPC) Initiative
- Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration
- Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration

Initiatives Focused on the Medicaid Population

- Medicaid Incentives for Prevention of Chronic Diseases
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Health Care Innovation Awards

GOAL: Test a broad range of innovative service delivery and payment models that achieve better care, better health and lower costs through improvement in communities across the nation.

- 107 Projects Awarded in Round 1
- Awards range from approximately \$1 million to \$30 million for a three-year period.
- Funding activity in all 50 states

Health Care Innovation Awards



State Innovation Models

GOALS:

- Partner with states to develop broad-based State Health Care Innovation Plans
- Plan, design, test and support of new payment and service and delivery models in the context of larger health system transformation
- Utilize the tools and policy levers available to states
- Engage a broad group of stakeholders in health system transformation
- Coordinate multiple strategies into a plan for health system improvement

State Innovation Models Awardees

Model Testing States

- Arkansas
- **Maine**
- **Massachusetts**
- Minnesota
- Oregon
- **Vermont**

Model Pre-Testing States

- Colorado
- New York
- Washington

Model Design States

- California
- **Connecticut**
- Delaware
- Hawaii
- Idaho
- Illinois
- Iowa
- Maryland
- Michigan
- **New Hampshire**

- Ohio
- Pennsylvania
- **Rhode Island**
- Tennessee
- Texas
- Utah

Thank You

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