

Center for Medicare & Medicaid Innovation

The Patient Protection and Affordable Care Act (ACA) established a new Center for Medicare & Medicaid Innovation that allows the Centers for Medicare and Medicaid Services (CMS) to test models that promote broad payment and practice reform within Medicare, Medicaid and the Children's Health Insurance Program (CHIP) while preserving or enhancing the quality of care. In selecting these models, the Secretary of Health and Human Services (HHS) is required to give preference to models that improve the coordination, quality, and efficiency of health care services. In addition, the Secretary is required to consult with relevant federal agencies and experts in medicine and health care management while developing and testing these models. The Center's activities through 2019 are funded by a \$10 billion federal appropriation. The Center was formally implemented in 2010 and Richard J. Gilfillan, MD was appointed as its Acting Director.

What specific payment and practice reform models does the provision suggest be tested within the Center?

The law provides the Secretary of HHS significant leeway regarding the specific models to be tested. Most relevant to the College, the provision specifically suggested the consideration of models that promote broad payment and practice reform in primary care, including patient-centered medical home models for high-need applicable individuals, medical homes that address women's unique health care needs, and models that transition primary care practices away from fee-for-service based reimbursement and toward comprehensive payment or salary-based payment. The law also suggested consideration of models that support the establishment of community-based health teams to support small-practice medical homes by assisting the primary care practitioner in chronic care management, including patient self management, activities.

How do the projects within the Center differ from the demonstration and pilot projects previously developed under CMS?

The projects conducted within the new Center have at least three potential advantages over the demonstration projects traditionally implemented by CMS:

- Budget-neutrality is not a requirement for project approval and implementation. Budget-neutrality requires that the project is projected not to lead to any increase in expenditures compared to expenditures anticipated if the project was not implemented. In previous CMS demonstrations, a lack of budget-neutrality has precluded approval, and the failure to achieve budget neutrality following implementation has led to such actions as early termination of the project and reduction of project payments to participating practices. While budget neutrality is not a requirement, the determination by the Office of Management and Budget (OMB) that a proposed Center initiative will eventually save federal funds is a consideration when determining which projects to implement.
- The Secretary had significant authority to broadly implement into the Medicare, Medicaid and CHIP programs aspects of projects that have been found to be successful without the necessity of further legislative approval.
- The Center has substantial funding to help ensure that the projects chosen by the Center can be effectively developed, implemented and evaluated.

What are some of the activities the Innovation Center has initiated?

The following is a list of some of the programs/demonstrations initiated by the Center:

- [Accountable Care Organization \(ACO\): Advance Payment Model](#) --- An initiative for those ACOs entering the Medicare Shared Savings Program to test whether and how pre-paying a portion of future shared saving could increase participation in the Medicare Shared Savings Program. This program is focused on assisting small physician practice networks and provider entities in rural settings.
- [Pioneer ACO Model](#) --- Testing accountable care payment and delivery model for health care organizations and providers that are already experienced in coordinating care for patients across care settings
- [Bundled Payments for Care Improvement](#) --- Improving patient care through four models of payment innovation that foster improved coordination and quality through a patient-centered approach. This initiative focuses on inpatient hospital stays and transition following discharge.
- [Comprehensive Primary Care Initiative](#) --- A multi-payer initiative fostering collaboration between public and private health care payers to strengthen primary care for all Americans. This program allows Medicare to join with private payers in seven selected regions of the country to support primary care delivered within the patient-center medical home model.
- [Independence at Home Demonstration](#) --- Under this demonstration, the CMS Innovation Center supports medical practices to test the effectiveness of delivering comprehensive primary care services at home and if doing so improves care for Medicare beneficiaries with multiple chronic conditions.

The Center has established a website at <http://innovations.cms.gov/> that includes information regarding its current initiatives and provides a portal to share ideas with the Institute staff.

What feedback has the College provided to the Center regarding its activities?

The Center, in May 2011, requested comments regarding a proposed Advanced Payment Initiative in which participants within the CMS Shared Savings/Accountable Care Program. The College provided a comment letter regarding this proposal, which is available at:

http://www.acponline.org/running_practice/aco/adv_pay_comments.pdf.

The College has also worked closely with Innovation Center staff to facilitate implementation of the Comprehensive Primary Care Initiative in the selected regions.