Person-Centered Innovation – An Update on the Implementation of the CMS Innovation Center's Strategy

November 2022

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Executive Summary

In September 2021, the Centers for Medicare & Medicaid Services (CMS) announced its strategic vision and priorities, including expanding coverage and equitable access for those served by CMS programs, driving innovation to tackle the nation's health system challenges, and promoting value-based, person-centered care. In October 2021, the Center for Medicare and Medicaid Innovation (Innovation Center) launched a renewed vision focused on five objectives to support and help execute CMS' vision and priorities (see Figure 1). This report provides an update on the Innovation Center's progress in the implementation of the new strategy, describes areas of focus for the coming year, and begins the process of measuring progress against the five objectives. A companion supplemental document describes the rationale, methods, and limitations for each of the metrics, baselines, and targets described in this report.

Figure 1. Innovation Center Vision and Five Strategic Objectives

Building the Foundation and a Roadmap for the Coming Years

Innovation in health care should be designed for the people it serves; its success should be measured by how well it improves health, experience, and affordability of care, and how well it supports partnerships between patients, health care providers, and other stakeholders across the system to drive transformation.

The Innovation Center, with its federal partners and external stakeholders, has started building the foundation toward a health system that achieves equitable outcomes through high-quality, affordable, person-centered care. To make this lasting change, it is incorporating patient and caregiver perspectives across the lifecycle of its models, implementing more patient-reported outcome measures (PROMs) to measure what matters to beneficiaries, and evaluating patient and caregiver experience in models. Highlights of the Innovation Center's accomplishments this past year in implementation of its strategic refresh and areas of focus for the coming years are outlined below (see Table 1).

Table 1. Innovation Center Strategic Accomplishments and Roadmap Forward

Innovation Center Strategic Objective	Major Accomplishments	Roadmap Moving Forward
	• Announced the redesigned Accountable Care Organization Realizing Equity, Access, and Community Health (ACO REACH) Model, which aims to increase access to team-based, coordinated care, and improve the beneficiary experience, especially for underserved populations • Announced the Enhancing Oncology Model (EOM), which aims to bring enhanced services and coordinated care to beneficiaries with cancer • Finalized proposal to scale successful features of the ACO Investment Model (AIM) in the Medicare Physician Fee Schedule Rule including providing an advance investment payment (AIP) option in the Medicare Shared Savings Program (Shared Savings Program) for certain ACOs	• Announce and launch new accountable care models that increase access to advanced, high-quality, primary and preventive care, and make multi-payer alignment possible, including for Medicaid beneficiaries, to ensure a focus on underserved populations • Develop specialty-focused models that aim to ensure those with chronic or serious conditions receive coordinated care • Focus on strategies to drive better integration of specialty and primary care within model design • Continue to reexamine ACO benchmarking approaches • Work across CMS and the Health Care Payment Learning and Action Network (LAN) to measure accountable care

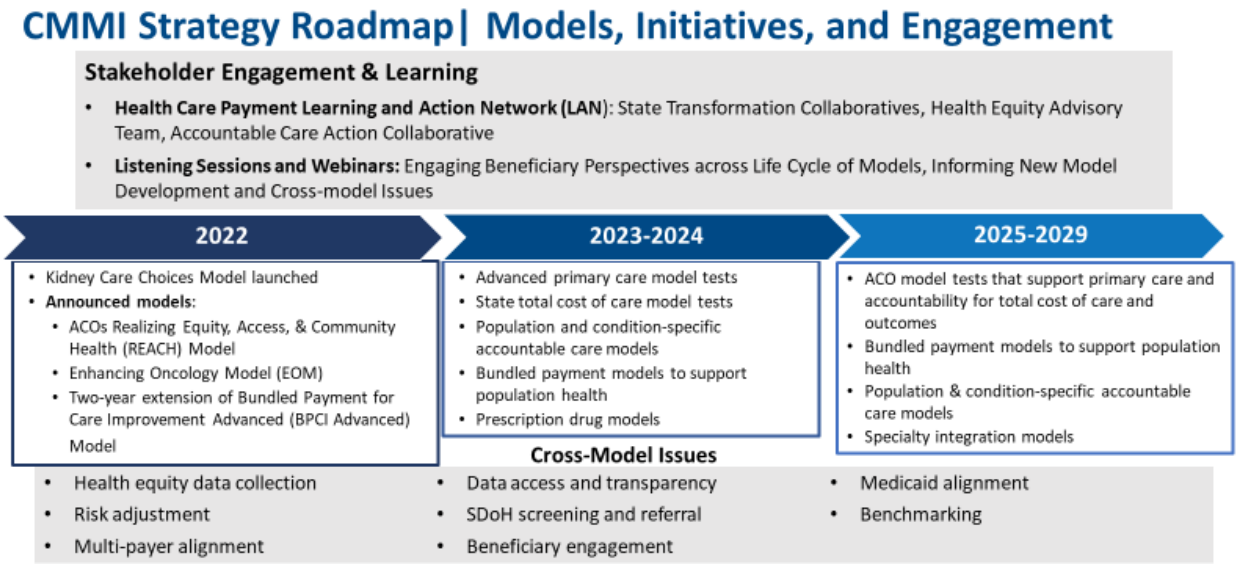
Innovation Center Strategic Objective	Major Accomplishments	Roadmap Moving Forward
	• Developed approach to implementing sociodemographic data collection and reporting requirements in the EOM and ACO REACH Model to monitor and evaluate impacts across populations • Developed approach to requiring health equity plans from model participants in EOM, the Hospice Benefit Component of the Medicare Advantage Value-based Insurance Design (VBID) Model, and ACO REACH to identify and address disparities in access and care • Developed innovative payment incentives and supports for health care providers caring for underserved populations, such as the Health Equity Advancement Resource and Transformation (HEART) payment in the Maryland Primary Care Program, and in the EOM, ACO REACH, and Community Health Access and Rural Transformation (CHART) Models • Designed new approaches to incorporate screening and referrals for social needs	• Continue to embed health equity in model design, implementation, evaluation, and through targeted technical assistance, tools, and other resources for model teams and participants • Continue to collaborate across CMS and with other federal partners to find ways to increase safety net provider participation in models • Incentivize reducing disparities in care and outcomes through payment incentives, quality measures, beneficiary data collection on demographic characteristics, and identification and resolution of social needs • Develop resources to support quality measurement for underserved populations in models and collaborate across CMS to align measures that track health equity • Refine approaches to incorporate screening and referrals for social needs and to evaluate the impact of models on underserved populations
	• Announced strategy to increase patient-reported outcome measures (PROMs) to measure what matters to patients • Required collection of self-reported demographic data in new and redesigned models to inform innovations that support comprehensive, person-centered care	• Implement enterprise-level tools and resources to accelerate the speed of model development and support greater data transparency • Adopt modern standards for data consistency, such as Fast Healthcare Interoperability Resources (FHIR) • Provide modern application programming interface (API) endpoints for data access to move towards enterprise architecture that supports more effective model development and implementation

Innovation Center Strategic Objective	Major Accomplishments	Roadmap Moving Forward
	• The Part D Senior Savings Model (PDSS), which tests coverage of insulin at $35 or less per month, benefits more than 800,000 insulin-taking beneficiaries in 2022. Starting in 2023, Congress is making a similar benefit available to all beneficiaries with coverage under a Medicare prescription drug plan nationwide[1] • In 2023, an estimated 24% more Medicare beneficiaries will be covered by plans participating in the Medicare Advantage VBID Model, which allows MA plans to offer innovations designed to increase the uptake of high-value services, reduce costs, and improve quality	• Develop and deploy models and tools to make care more affordable for beneficiaries such as by reducing cost-sharing • Reduce low-value care across primary and specialty care • Submit report in response to the Executive Order on Lowering Prescription Drug Costs for Americans that requires the Innovation Center to identify model tests that would lower drug costs and promote access to innovative drug therapies for Medicare and Medicaid beneficiaries • Newly announced EOM may help accelerate the use of biosimilars, as seen in the Oncology Care Model (OCM)
	• Released data for ten models in the Chronic Conditions Warehouse Virtual Research Data Center (VRDC) to allow external researchers and organizations to generate insights on the impact of models on patients, the care delivery system, and costs • Released roughly fifteen publications and webinars to share new strategic direction and learnings, and to solicit input and feedback • The LAN launched the State Transformation Collaboratives (STCs) to shift the health system to one that is value-based and person-centered, and the LAN Health Equity Advisory Team (HEAT) to identify and prioritize opportunities to advance health equity through alternative payment models (APMs). The LAN is also working to launch the Accountable Care Action Collaborative (ACAC) to advance member alignment in accountable care arrangements	• Release data for additional models in the VRDC in 2023 to make more data available to external researchers • Release roadmap for multi-payer alignment and announce multi-payer models that incorporate input from stakeholders early in model design • Incorporate patient and caregiver perspectives in future models and publish approaches to reflect patient and caregiver perspectives, including those shared during regular patient and caregiver listening sessions

[1] Note that on August 16, 2022, the Inflation Reduction Act of 2022 (IRA) was signed into law. Under the IRA, beginning January 1, 2023, cost-sharing for a month's supply of each Part D insulin covered by a prescription drug plan will be capped at $35. In addition, under the IRA, Part D deductibles will not apply to covered insulin products starting January 1, 2023. Beginning July 1, 2023, people with Traditional Medicare who take insulin through a traditional pump will not pay more than $35 for a month's supply of insulin, and the deductible will not apply to the insulin.

This foundation positions the Innovation Center—with its partners across CMS, the federal government, and externally—to launch models, supports, and tools in the coming years that advance each of the five strategic objectives (see Figure 2). To assess performance against each of the strategic objectives, the Innovation Center is releasing metrics, baselines, and targets that will guide and inform model development, implementation, and evaluation moving forward.

Figure 2. Roadmap for Innovation Center Models and Initiatives



Strategic Objective 1: Drive Accountable Care

In accountable care relationships, doctors and other health care providers work together and with their patients to manage patients' overall health, all while considering their patients' personal health goals and values. These relationships can improve quality of care by reducing the likelihood that a patient receives repeat medical tests; making it easier for doctors to consider a patient's whole health history when developing a treatment plan; and allowing health care providers to communicate with each other to prevent hospitalizations.

Accountable care aims to reduce fragmentation and provide high-quality, coordinated, longitudinal, team-based care that promotes positive health outcomes and person-centered care. Since the launch of the Innovation Center's strategic refresh, stakeholders across the health care system have focused on bringing accountable care relationships to more beneficiaries. The Innovation Center has defined accountable care in Traditional Medicare and set an interim 2024 target to reach the 2030 goal of having 100 percent of beneficiaries with Parts A and B in care relationships with accountability for quality and total cost of care (see Table 2). It has also set baselines and targets for closing the race and ethnicity disparity in the percent of Traditional Medicare beneficiaries with Parts A and B who are in accountable care relationships.

Table 2. Accountable Care Metrics

Aim: Increase the number of beneficiaries in a care relationship with accountability for quality and total cost of care.

Impact on Beneficiaries: Beneficiaries in accountable care relationships will experience more person-centered, seamless care that supports their health and care goals.

Metric 1: Percent of Traditional Medicare beneficiaries with Parts A & B that will be in a care relationship with accountability for quality and total cost of care	• **2021 Baseline**	• 44%
	• **2024 Target**	• 60%
	• **2025 Target**	• 65%
	• **2030 Target**	• 100%
Metric 2: Disparity in the percent of Traditional Medicare beneficiaries with Parts A & B in accountable care relationships within each race and ethnicity category	• **2021 Baselines**	• Non-Hispanic White 46% • Missing/Blank 45% • Black (or African-American) 41% • Other 40% • Asian/Pacific Islander 38% • Hispanic 30% • American Indian/Alaska Native 20%
	• **2024 Target**	• Reduce disparity between highest and lowest rates of race and ethnicity categories by increasing the number of accountable care models that offer novel supports and incentives to reach underserved communities
	• **2030 Target**	• Reach 100% of Medicare beneficiaries in accountable care relationships in each race and ethnicity category

Accomplishments: Advancing Accountable Care

In April 2021, CMS released its vision for Medicare ACOs outlining shared goals, and steps that the Innovation Center and the Shared Savings Program can take to achieve the 2030 accountable care goals for beneficiaries. Using the Shared Savings Program as a chassis for testing Innovation Center models will help increase participation in ACO initiatives, bring accountable care to more beneficiaries, especially the underserved, and allow for the scaling of successful innovations and model features such as those that improve quality, reduce inequities, and increase savings into the national Shared Savings Program.

The Innovation Center's accountable care strategy extends to beneficiaries with conditions that require specialty care. This year, the Kidney Care Choices (KCC) Model, which aims to delay the need for dialysis and encourage kidney transplantation among individuals with chronic kidney disease (CKD) and end-stage renal disease (ESRD), released a new Request for Applications (RFA) to create more opportunities for health care providers to join and provide accountable care to beneficiaries with CKD and ESRD through the model.

EOM was announced in June 2022 as a successor to OCM. EOM aims to support the establishment of accountable, longitudinal care relationships between beneficiaries with cancer and their oncology practices and includes new incentives and requirements to advance health equity in cancer care. The model was designed to improve health care providers' ability to deliver care centered around patients, consider patients' unique needs, and deliver cancer care in a way that will generate the best possible patient outcomes.

Roadmap: Advancing Accountable Care

The Innovation Center's goal of bringing coordinated, accountable care to beneficiaries will be driven by the initiatives below.

Medicare ACO Vision. The Calendar Year (CY) 2023 Medicare Physician Fee Schedule final rule illustrates how CMS intends to implement this shared ACO vision moving forward, and how lessons from ACO models can be scaled into the Shared Savings Program. CMS estimates 3 to 4 million more beneficiaries per year will benefit from accountable care over a 10-year period.

- CMS finalized provisions to incorporate successful features of the ACO Investment Model (AIM) into the Shared Savings Program through Advance Investment Payments (AIPs), which would support the creation of new ACOs by provider-led and smaller organizations through upfront payments that support the investments needed for care transformation, including those in underserved communities.

- The 2021 strategy white paper cited the need to reexamine benchmarking approaches for ACOs. As a first step, the proposed rule included a Request for Information seeking public input on an administrative benchmarking approach for ACOs, which has also been examined by the Medicare Payment Advisory Commission (MedPAC). Administrative benchmarking has the potential to eliminate the current practice of rebasing benchmarks, which results in ACOs trying to improve relative to their own performance over time and may discourage new ACOs from forming. CMS solicited public input on how administrative benchmarking approaches could be used to improve the sustainability of ACO initiatives, to increase opportunities for shared savings that can be invested in care transformation for beneficiaries, and to increase the number of ACOs

participating in CMS programs. CMS also finalized steps towards administrative benchmarks with the final rule in the CY 2023 Physician Fee Schedule to incorporate an Accountable Care Prospective Trend (ACPT) as part of the update to ACO benchmarks.

Advanced Primary Care. Advanced primary care is the cornerstone for engaging beneficiaries in longitudinal, accountable care relationships that can address and coordinate their medical care, including preventive care, and health-related social needs. Future advanced primary care model development will draw from lessons learned from previous models. These lessons include an understanding that primary care practices can transform care delivery under value-based care models, that changes in quality and cost may take longer to detect than the average 5-year Innovation Center model lifespan, and that regional context matters for transformation. Advanced primary care is also associated with positive ACO results. Recent Shared Savings Program results indicated that ACOs comprised of 75 percent or more primary care clinicians saw higher shared savings rates than ACOs with fewer primary care clinicians—$281 per capita in net savings compared to $149 per capita in net savings.

Stakeholder engagement is also informing future work. For example, during a Spring 2022 public listening session, the Innovation Center heard about the importance of including safety net providers and Medicaid in models to advance health equity, supporting coordination of primary and specialty care, and bringing both large and small independent practices into models.

The goals of future testing will be to advance equitable access to advanced primary care; recruit safety net and Medicaid providers that improve access to care and coordinate specialty care for beneficiaries; and examine the cost and quality impacts of access to advanced primary care over a longer time horizon than the typical duration of an Innovation Center model. Last, a department-wide effort, the Initiative to Strengthen Primary Health Care, has been established to develop a federal foundation for the provision of primary care to support improved health outcomes and to address health equity. CMS, including the Innovation Center, is working with federal partners to develop and implement an action plan to strengthen primary care.

Measuring Accountable Care. Consistent with the LAN's recently published Commitment Curve and recognizing that payment alignment can enable growth in accountable care, the Innovation Center will work with partners in the CMS Center for Medicare and CHIP Services (CMCS) and the Center for Medicare (CM), as well as the LAN in the coming year to outline ways to measure accountable care and set targets across different beneficiary and patient populations, including Medicaid, Medicare Advantage and Commercial payers.

Looking Ahead – Specialty Integration and Models

The delivery of accountable care requires access to high-quality, specialty care for all beneficiaries. In the first year following the announcement of the new strategic vision, the Innovation Center has taken stock of lessons learned from specialty models to date and has developed a multi-pronged, comprehensive, specialty strategy built around patient needs as they move through the health system and various stages of disease. Moving forward, the Innovation Center will consider providing ACOs with tools to better engage specialists, test ways to better link primary and specialty care upstream in the patient journey, and continue to incentivize better management of inpatient admissions and transitions back to the community for patients.

- **Specialty Integration.** Earlier this year, the Innovation Center published a paper on challenges and pathways for improving the care experience of Medicare beneficiaries across primary and specialty care. Learnings from this research are informing models under development. They are also providing the Innovation Center with an understanding of the data, supports, and tools needed to connect advanced primary and specialty care—before, during, and after acute episodes. For example, the Innovation Center could consider expanding the use of e-consults and other tools that facilitate data exchange to increase referrals of high clinical value and to help ensure effective follow-up. This direct application of research findings to future models is critical to ensuring patients are receiving the right care at the right time, and are supported during critical times of care transition and disease progression.
- **Specialized Care Models.** The Innovation Center continues to identify areas where accountable care can improve patient and family care experiences and outcomes. A spring CMS listening session on dementia care identified challenges that beneficiaries with dementia and their caregivers are facing—lack of coordinated, home-based care, lack of support with care transitions, and complexity navigating multiple health care providers. These perspectives are informing work to test innovations that address the challenges facing those with dementia.

Strategic Objective 2: Advance Health Equity

Health equity is integral to the Innovation Center's vision of improving health care quality. As it pursues a broad range of strategies to advance equity over the next decade, the Innovation Center has developed five health equity metrics that will allow it to track its progress (see Table 3).

Table 3. Health Equity Metrics

Aim: Embed health equity in every aspect of Innovation Center models and increase focus on underserved populations.

Impact on Beneficiaries: By embedding health equity into all Innovation Center models, underserved beneficiaries will have increased access to accountable, high-quality, and person-centered care. Model tests will then allow for robust evaluation and confidence in generalizing results to all populations served by CMS programs.

Metric 1: Percent of all models that will collect and report demographic and, where feasible, social needs data and health equity plans to CMS	• **2022 Baseline**	• 37%
	• **2025 Target**	• 85%
	• **2030 Target**	• 100%
Metric 2: Percent of facilities participating in Innovation Center models identified as safety net facilities***	• **2022 Baseline***	• 3.9%
	• **2025 Target**	• 7.0%
	• **2030 Target**	• 12.0%
Metric 3: Percent of primary care providers participating in Innovation Center models identified as safety net providers***	• **2022 Baseline***	• 23.9%
	• **2025 Target**	• 24.9%
	• **2030 Target**	• 26.5%
Metric 4: Rate of potentially preventable admissions for overall conditions per 100,000 Medicare beneficiaries served by an Innovation Center model	• **2022 Baseline****	• 4,989
	• **2025 Target**	• 4,614
	• **2030 Target**	• 3,989
Metric 5: Disparity in the rate of potentially preventable admissions for overall conditions per 100,000 Medicare beneficiaries served by Innovation Center models across race and ethnicity groups	• **2022 Baseline****	• 6,097
	• **2025 Target**	• 5,722
	• **2030 Target**	• 5,097

* Note this baseline is an average of 2017, 2018, and 2019 data (see supplemental document).
**Note this baseline is an average of 2017, 2018, and 2019 data (see supplemental document).
***See supplemental document for definitions of safety net facilities and providers.

Milestones: Advancing Health Equity

CMS' 2022 Strategic Plan established health equity as its first pillar. Aligning with this plan, in March 2022, the Innovation Center published a roadmap for embedding health equity into all models, and across the model lifecycle, by using model design to address inequities in access, quality, and outcomes. The Innovation Center will also continue to collaborate with the LAN HEAT to align with experts and implementers in the field.

Redesigned and new models aim to advance equity in several ways including increasing safety net participation in models, developing payment incentives or adjustments to support care for people in underserved communities, stratifying quality metrics to assess impact on equity, and requiring health equity plans to help health care providers identify and address disparities. This year, several models have been revised and new models announced that reflect this approach in three key areas.

- **Data Collection.** Demographic and social needs data are critical to support interventions and policies that advance health equity. These data allow the Innovation Center to monitor progress on health equity goals throughout the life of the model and for evaluation purposes. The Innovation Center will be requiring participants to submit the collection of voluntary self-reported demographic data, starting with EOM and ACO REACH, and supporting collection of social needs data to improve health outcomes and delivery of person-centered care.

  Three states in CHART—South Dakota, Washington, and Texas—have outlined plans to track social needs and performance outcomes as part of their equity strategies. In the past year, the Innovation Center also developed tools to support the development of models that include screening and referral for social needs.

- **Health Equity Plans.** Health equity plans are an important first step to supporting community needs. CHART, ACO REACH, EOM, and the Hospice Benefit Component of VBID, will require health equity plans in which model participants must describe: underserved populations in their communities, health disparities identified, clinically focused interventions available to all Medicare beneficiaries that address such disparities, and ways to measure and track progress.

- **Payment Adjustments.** To begin to address decades of historical underinvestment in health care in many communities, health care providers seeking to close gaps in care may require additional financial support. The Innovation Center is taking important steps to test payment changes that can increase access to high-quality care in underserved populations.

  Several models now include health equity-related payment adjustments. For example, ACO REACH incorporates a health equity benchmark adjustment, which increases financial resources for care delivery for underserved Medicare beneficiaries based on an assessment of Area Deprivation Index (ADI) and dual eligibility status. The Innovation Center will consider the level of adjustment and use of other potential data sources for purposes of refining the benchmark adjustment for future models.

In addition, EOM will provide a Monthly Enhanced Oncology Service (MEOS) payment to EOM participants for certain services furnished to beneficiaries served under the model. An additional MEOS payment will be available under the model for services furnished to dually eligible beneficiaries. The End-Stage Renal Disease Treatment Choices Model (ETC) includes a Health Equity Incentive payment for participants that significantly improves the rates of low-income or dually eligible beneficiaries receiving home dialysis or transplants.

The Maryland Primary Care Program includes the Health Equity Advancement Resource and Transformation (HEART) payment, which is paid to participating practices, including Federally Qualified Health Centers, on a quarterly basis for enhanced care management services furnished to Medicare beneficiaries with high medical and social risk.

Finally, CHART will include additional funding to rural communities with higher ADI scores than the national rural average. Funding will be distributed to participating hospitals based on the proportion of highest need beneficiaries they serve to help bridge the gap in disparities with national peers.

Looking Ahead: Advancing Health Equity

In the coming year, the Innovation Center will expand and accelerate its foundational work to advance health equity guided by the priorities outlined below.

- **Safety net provider participation.** New models will be designed to include participation by safety net providers and Medicaid beneficiaries. This will require work with partners across the Department of Health and Human Services (HHS) and CMS, such as the Health Resources and Services Administration (HRSA). It will be critical to collaborate with, and solicit feedback from, states and external stakeholders to develop a measurable definition for Medicaid safety net providers, align quality measurement and payment policies across payers, and attract and retain safety net providers across the range of models.

- **Equity-focused Payments.** The Innovation Center will continue to test payment incentives to advance equity and examine indices that reliably identify underserved populations and the health care providers that disproportionately care for them.

- **Equity Quality Strategy.** The Innovation Center is in the process of developing resources to support model teams seeking to measure quality of care for underserved populations. These resources will include disparities-sensitive quality measures and stratification strategies, which will be aligned with those adopted by other parts of CMS and with the National Quality Strategy, when feasible and appropriate. In addition, the Center is supporting work to develop a new health equity composite measure for potential pilot testing in 2023.

- **Supports for Model Design and Stakeholders.** The Center will build upon earlier efforts to promote equity and assist model teams and participants through targeted technical assistance, tools, and other resources. For example, the Innovation Center will pilot a new implicit bias guide, which it developed following an internal review to identify and address implicit bias in models.

  The Accountable Health Communities Model has informed the Innovation Center's efforts to increase screening and address social needs. In addition, several models have begun hosting health equity learning collaboratives and technical assistance sessions. For instance, the VBID model sponsors a voluntary Health Equity Incubation Program and VBID-Hospice supports a learning workgroup, where health equity has been a focus of each session.

Strategic Objective 3: Support Innovation

Value-based care is successful when patients receive care that reflects their preferences and goals. Care innovations are part of the infrastructure needed to support the delivery of integrated, equitable, person-centered care. Measuring what matters to patients, data and tools to support care management and delivery, and learning supports are critical to the successful delivery of value-based care to more beneficiaries.

The Innovation Center will track five care innovation metrics to monitor progress and may consider additional metrics in the future to assess how models are impacting key issues, such as implementation of outcomes metrics and reduction of administrative burden for providers (see Table 4).

Table 4. Care Innovation Metrics

Aim: Leverage a range of supports that enable integrated, person-centered care, such as actionable, practice-specific data, technology, dissemination of best practices, peer-to-peer learning collaboratives, and payment flexibilities.

Impact on Beneficiaries: Models will measure meaningful patient outcomes and care experience and will make data, tools, and payment flexibilities available to health care providers to support accountable, person-centered care.

Metric 1: Percent of Medicare beneficiaries in Innovation Center models that responded with best possible response options "always" or "yes, definitely" on Medicare FFS CAHPS care coordination measures	• **2022 Baseline***	• 72.9%
	• **2025 Target**	• 73.8%
	• **2030 Target**	• 75.0%
Metric 2: Percent of models using at least two patient-reported measures	• **2022 Baseline**	• 29%
	• **2025 Target**	• 50%
	• **2030 Target**	• 75%
Metric 3: Percent of models that provide CMS-developed participant data dashboards	• **2022 Baseline**	• 10%
	• **2025 Target**	• 25%
	• **2030 Target**	• 70%
Metric 4: Percent of models offering interoperable, standards-based data exchange (*i.e.*, via an API) to participants	• **2022 Baseline**	• 10%
	• **2025 Target**	• 50%
	• **2030 Target**	• 100%
Metric 5: Percent of models, where applicable, that offer technical assistance and learning supports	• **2022 Baseline**	• 37%
	• **2025 Target**	• 60%
	• **2030 Target**	• 100%

* Note this baseline uses 2019 data (see supplemental document).

Accomplishments: Advancing Care Innovations

Care innovations are designed to enable providers and patients to connect across the care journey. The Innovation Center is taking a range of approaches to test tools that can support the delivery of person-centered care. In September 2022, the Innovation Center released a PROM strategy that strives to measure what is meaningful to people and will be informed through engagement with beneficiary groups. The PROMs strategy aims to include measures from the following domains: person-centeredness, seamless care coordination, wellness and prevention, chronic conditions, safety, and equity. Inclusion of PROMs in model tests is designed to inform aligned and meaningful measurement across the Medicare and Medicaid programs, as well as for commercial payers.

To support comprehensive, person-centered care, providers must be able to access standardized data to assess patients' medical and social needs. In September 2022, templates for demographic and social needs elements were released for ACO REACH participants to support collection of these data. Similar approaches will be used for EOM and future models.

Benefit enhancements and waivers are also important tools for providers to deliver integrated and person-centered care consistent with patient and caregiver preferences and goals. For instance, EOM includes home-based care options, including a Medicare telehealth waiver and Medicare waivers to provide home-based care management and post-discharge care.

Roadmap: Advancing Care Innovations

Data Infrastructure. In addition to model development, the Innovation Center can support system transformation through the provision of data to patients and providers on high-value care. For instance, models can include data and supports for primary care practices to make high-value specialty referrals, and ACOs can receive data to improve coordination and management of episodic care through virtual or shadow bundles.

FHIR APIs. The ability to more seamlessly collect and share data that can be used to address disparities in care and outcomes is dependent on better data infrastructure. The Innovation Center will soon be posting demographic and social determinants of health (SDOH) FHIR questionnaires for public use and is exploring bulk FHIR APIs for use in health care data collection.

Integrated Health Models. The Innovation Center is focusing on improved data infrastructure and sharing, patient-focused quality measurement, and benefit enhancements and payment flexibilities to support integrated models of care. Areas of exploration include maternal and behavioral health where integrated care models can drive better outcomes through enhanced access, person-centered care, and by addressing key gaps and poor outcomes.

Looking Ahead – Integrated Health Models

The Innovation Center is exploring the development of models to support administration priorities in areas such as behavioral and maternal health as outlined in the White House's Maternal Health Blueprint and The White House's Strategy to Address the National Mental Health Crisis. The White House's strategy to address mental health builds on previous efforts, such as $250 million in HHS awards across 100 grants to increase access to Certified Community Behavioral Health Centers, which provide 24/7, comprehensive primary and behavioral health care to the most vulnerable Americans, and CMS' new state option for Medicaid coverage of qualifying community-based mobile crisis intervention services. Future Innovation Center work will build on previous behavioral and maternal health models, such as the Maternal Opioid Misuse (MOM) Model and the Integrated Care for Kids (InCK) Model to deliver integrated and person-centered care in these areas.

Strategic Objective 4: Address Affordability

Affordability can be a barrier to health care access for many individuals, especially as health care costs continue to rise. The Innovation Center is committed to pursuing strategies that address health care prices and affordability to improve access and will track its progress on two affordability metrics to achieve these goals (see Table 5). In the future, the Innovation Center may consider additional metrics to assess the impacts of models on key dimensions of affordability, such as out-of-pocket costs for care.

Table 5. Affordability Metrics

Aim: Pursue strategies to address health care prices, affordability, and reduce unnecessary or duplicative care.

Impact on Beneficiaries: Innovation Center models can promote affordability and access to high-value care for beneficiaries through changes such as reducing cost-sharing for services and treatments.		
Metric 1: Percent of Innovation Center model beneficiaries who indicated "yes" that they delayed medical care due to cost in last 12 months	• **2022 Baseline***	• 8.3%
	• **2025 Target**	• 7.1%
	• **2030 Target**	• 5.0%
Metric 2: Percent of Innovation Center model beneficiaries who indicated they "often" or "sometimes" delayed filling prescription drugs due to costs in last 12 months	• **2022 Baseline***	• 7.2%
	• **2025 Target**	• 6.4%
	• **2030 Target**	• 5.0%

*Note this baseline uses 2019 Medicare Current Beneficiary Survey data (see supplemental document).

Accomplishments: Addressing Affordability

In the first year of the strategic refresh, initial steps were taken to improve beneficiary access and affordability to certain high-value treatments and medications. These steps establish the foundation that will inform and support future efforts to address the direct and indirect costs that impact patients' ability to afford and access care.

Drug affordability is a particularly difficult and growing challenge for beneficiaries. The Part D Senior Savings Model (PDSS) was designed to provide Medicare beneficiaries who have diabetes with new choices of Part D plans that offer insulin at an affordable and predictable cost of $35 or less per month. In 2022, CMS anticipates that more than 800,000 beneficiaries will benefit from the Model's coverage of insulin. Starting in 2023, Congress is making a similar benefit available nationwide to all beneficiaries with coverage under a Medicare prescription drug plan.[2] In addition, EOM is designed to discourage low-value prescribing patterns and encourage the uptake of biosimilars through the total cost of care responsibility and downside risk in the model.

[2] Note that on August 16, 2022, the Inflation Reduction Act of 2022 (IRA) was signed into law. Under the IRA, beginning January 1, 2023, cost-sharing for a month's supply of each Part D insulin covered by a prescription drug plan will be capped at $35. In addition, under the IRA, Part D deductibles will not apply to covered insulin products starting January 1, 2023. Beginning July 1, 2023, people with Traditional Medicare who take insulin through a traditional pump will not pay more than $35 for a month's supply of insulin, and the deductible will not apply to the insulin.

The Innovation Center also issued an RFA in 2022 for contract year 2023 for participation in VBID, which allows MA plans to offer a broad array of complementary MA health plan innovations designed to increase the uptake of high-value services, reduce Medicare costs, and improve quality outcomes for enrollees including those with low incomes and those with serious illness.

In 2023, VBID will test: targeting benefit design to enrollees based on chronic condition and/or socioeconomic characteristics (including reductions in cost-sharing for Part C items and services and covered Part D drugs); encouraging engagement with health-promoting activities through rewards and incentives; including the Part A Hospice Benefit as part of the MA benefits package; and requiring all participating plans to engage their enrollees through structured and timely wellness and health care planning, including advanced care planning.

Models can also be designed to reduce cost-sharing for beneficiaries. For instance, the redesigned ACO REACH model uses safe harbor protections to permit cost-sharing support for certain Part B services to encourage beneficiaries to obtain medically necessary health care services.

Roadmap: Advancing Affordability

Affordability will continue to be a priority in Innovation Center models to support CMS-wide goals. In October 2022, President Biden signed the Executive Order on Lowering Prescription Drug Costs for Americans. The Executive Order requires the Secretary of HHS to submit a report within 90 days describing models that the Innovation Center can develop and implement that would lower drug costs and promote access to innovative drug therapies for Medicare and Medicaid beneficiaries. The Center is working across CMS and HHS to identify areas where models can test efforts to increase access to, and affordability of, drugs and high-cost novel therapies.

Building on the Oncology Care Model (OCM), implementation of EOM may also help accelerate the adoption of biosimilars among model participants.[3,4] In the coming year, the Innovation Center will work across CMS to support efforts to reduce out-of-pocket costs and examine opportunities for population-based, specialty, and state-based models that reduce cost-sharing for high-value services and improve health status, such as certain primary and preventive care. In addition, the Center will analyze ways to reduce the delivery of care that can be duplicative, unnecessary or in some cases even harmful to beneficiaries.

[3] Wilfong LS, Indurlal P, Dominguez K, et al. Financial impact of biosimilar adoption in the oncology care model for the U.S. Oncology Network. Presented at: ASCO 2022; June 3-7, 2022; Chicago, Illinois. Abstract e18749.
[4] Yang J, Chaudhry BI, Yue A, et al. Projected impact of oncology biosimilar substitution from the perspective of provider risk in value-based oncology payment models. Presented at: ASCO 2022; June 3-7, 2022; Chicago, Illinois. Abstract e18836.

Strategic Objective 5: Partner to Achieve System Transformation

Partnership across the federal government and with external stakeholders is foundational for building a health system that is responsive to the medical and social needs of people and to achieving true transformation. To measure progress on this goal, the Innovation Center established three system-transformation metrics, with 2030 goals and 2025 interim targets (see Table 6).

Table 6. System Transformation Metrics

Aim: Align priorities and policies across CMS and aggressively engage payers, purchasers, states, and beneficiaries to improve quality, achieve equitable outcomes, and reduce health care costs.		
Impact on Beneficiaries: Closer engagement with beneficiaries, caregivers, and patient groups across the lifecycle of models will help ensure that models are meeting people's needs. Partnerships with private payers and Medicaid is critical to increase sustained participation in value-based payment models.		
Metric 1: Percent of new models, where applicable, that make multi-payer alignment available	• **2022 Baseline**	• 50%
	• **2025 Target**	• 75%
	• **2030 Target**	• 100%
Metric 2: Percent of models that engaged patients/beneficiaries, caregivers, and patient groups throughout the model lifecycle	• **2022 Baseline**	• 100%
	• **2025 Target**	• 100%
	• **2030 Target**	• 100%

Accomplishments: Advancing System Transformation

This year, the Innovation Center strengthened its public communications, outreach, and engagement, particularly with beneficiary groups who are the most critical voice to inform the Center's work.

In February 2022, the Innovation Center hosted a beneficiary listening session as part of its Center-wide approach to incorporate patient and caregiver perspectives across the life cycle of models from conceptualization to implementation and evaluation. The goal of the listening session was to better engage patients and caregivers and develop a deeper understanding of their experiences in Innovation Center models. Based on feedback from the listening session, the Center is already working more closely with patient and caregiver groups, and has developed a beneficiary engagement strategy focused on: holding itself accountable by reporting measures that track its progress on beneficiary engagement (see metric 2 above); ensuring that a diverse array of patients, caregivers, and patient advocacy groups are able to share their perspectives with the Innovation Center; regularly holding patient- and caregiver-focused listening sessions to solicit feedback on key issues that matter most to patients and caregivers; building a systematic approach to collaborating with patient and caregiver advocacy groups; and establishing a continuous feedback loop that spans the model lifecycle.

The Innovation Center has also committed to greater transparency with external stakeholders to share and generate more model learnings. In 2022, the Innovation Center released data in the VRDC for ten models to allow external researchers and organizations to have direct access to data files, conduct independent analyses, and generate timely insights on the impact of models on patients, the care delivery system, and costs. The Innovation Center will continue to add models to the datasets shared and release these files quarterly.

In order to continue to shift the economic drivers away from fee-for-service toward a value-based, person-centered health care system, it is important that a broad array of health care stakeholders collaborate to align incentives and payment policies. Partnership with the LAN is the cornerstone of the Innovation Center's outreach to, and engagement with, stakeholders. Key among these LAN initiatives are the HEAT, STCs, and ACACs.

Each of these efforts brings together an array of public and private stakeholders, including payers, providers, health systems, purchasers, patient advocates, trade associations, and community organizations, to address critical issues facing the health care industry. Building on increased momentum to address health equity and support health system resiliency, the HEAT works to identify and prioritize opportunities to advance health equity through APMs, including the provision of guidance and structures stakeholders can embrace to advance health equity goals within their organizations.

The recently launched LAN STCs are comprised of states, payers, providers, health systems, purchasers, patient advocates, and community organizations, working together to develop a locally-focused approach to addressing the needs of state populations through alternative payments. STCs will create opportunities to inform model development and test models that can be part of, and support, broader regional transformation.

Finally, joining in the Innovation Center's goal to advance alignment in accountable care arrangements, the LAN ACAC will bring together an assortment of organizations dedicated to increasing the adoption, evolution, and growth of accountable care arrangements. Through their influence as key figures in the health care system, ACAC participants will serve as a catalyst to influence the accountable care landscape, fostering partnerships to promote movement towards accountable care. These three initiatives will create opportunities to inform model development and test models and concepts that can be part of, and support, broader health system transformation.

Roadmap: Advancing System Transformation

In the coming year, the Innovation Center will accelerate implementation of the beneficiary engagement strategy across models. This strategy will incorporate patient and caregiver perspectives, preferences, and goals into model ideation and development, recruitment and rule-making, application, implementation and evaluation, and scalability. In addition, the Innovation Center will hold regular beneficiary listening sessions to ensure a continuous feedback loop to sustain and strengthen relationships with patients, caregivers, and advocates.

To assess the broader impacts of the Innovation Center on patients, caregivers, providers, and the health care system, the Innovation Center is developing a "Transformation Framework," which will describe elements of model success that go beyond metrics of cost, quality, and utilization, and encompass the impact of past, current, and future models on patient care and outcomes, provider transformation and support, and the health care industry.

Finally, the Innovation Center will continue to work towards multi-payer alignment on key dimensions of value-based payment by developing models that engage more than one payer, align quality metrics across CMS programs and payers, and support data exchange to improve care. The Center will publish roadmaps on its approach to multi-payer alignment in collaboration with Medicaid and other payers.

Looking Ahead Toward Greater Person-centered Innovation

The goals the Innovation Center released in October 2021 are bold and reflect a vision for how innovations that address the central challenges facing people in the health system – equitable access, quality, and cost – can transform their care, outcomes, and experience.

This first year, the foundation has been set in partnership with federal and external stakeholders to build a health system centered on people. In the coming year, the Innovation Center will build on that foundation with a focus on: developing and announcing new models that expand the reach of equitable, longitudinal, accountable care for beneficiaries, especially the underserved; testing mechanisms to deliver integrated-whole person care, especially by increasing access to coordinated and high-value specialty care; and supporting providers on the value-based care journey by driving meaningful multi-payer alignment and providing data to support patients at the point of care, and across settings. In partnership with other federal agencies and health care stakeholders, the Innovation Center will continue to advance its strategy and drive meaningful change for people across the health system.