

Driving Health System Transformation – A Strategy for the CMS Innovation Center’s Second Decade

Center for Medicare and Medicaid Innovation
October 20, 2021

Housekeeping & Logistics

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Not all questions may be addressed during this time. Please look out for an FAQ document on the webpage, which will be informed by questions submitted during today's session and from registration.

Today's Speakers



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Remarks from the CMS Administrator

Remarks from the CMS Innovation Center Director

Overview

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The CMS Innovation Center Statute

“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”



Three Scenarios for Success:

1. **Quality improves; cost neutral**
2. **Quality neutral; cost reduced**
3. **Quality improves; cost reduced (best case)**

If a model meets one of these three criteria and other statutory prerequisites, the statute allows the Secretary to expand the duration and scope of a model through rulemaking

Defining “Innovation,” in Terms of Payment and Delivery Structures

The CMS Innovation Center tests [alternative payment models \(APMs\)](#) which reward health care providers for novel approaches to delivering cost-efficient, high-quality care.

APMs can apply to a specific:

- **Health condition**, like end-stage renal disease or cancer
- **Care episode**, like joint replacement
- **Provider type**, like primary care providers
- **Community**, like rural areas or a specific geographic region
- **Innovation** within Medicare Advantage or Medicare Part D

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CMS Innovation Center's Range of Impact

> 28 million

Beneficiaries touched *

CMS Innovation Center models impact over 28M beneficiaries **in all 50 states**

> 528,000

Providers participating *

Over 528,000 health care providers and provider groups **across the nation** are participating in CMS Innovation Center programs

>50 Models

Models

Six out of over 50 models have **generated statistically significant savings** to Medicare and to taxpayers, and four have met the requirements to be **expanded** in duration and scope. **

* CMS Innovation Center. (2021).2020 **Report to Congress: Center for Medicare and Medicaid Innovation**. Represents two years of data. Includes CMS beneficiaries (i.e., individuals with coverage through Medicare FFS, Medicaid, both Medicare and Medicaid (as Medicare-Medicaid enrollees), CHIP, and Medicare Advantage) and individuals with private insurance, including in multi-payer models

** As of September 2020, the models that showed statistically significant savings include the Maryland All-Payer Model; Repetitive, Scheduled Non-Emergent Ambulance Transport (RSNAT) Prior Authorization Model; Home Health Value-Based Purchasing (HHVBP) Model; ACO Investment Model; Pioneer ACO Model; and the Comprehensive Joint Replacement Model.

Looking Back, Looking Forward – Building a Strategy

EMBED HEALTH EQUITY IN EVERY MODEL

ISSUES and CHALLENGES:

- Full diversity of beneficiaries in Medicare and Medicaid is not reflected in many models
- Models have not systematically evaluated impacts across beneficiaries with different demographic characteristics

NEXT STEPS:

- Design models to target and increase participation among providers that care for underserved populations
- Require a deliberate and consistent approach to assess model impacts on underserved populations and close disparities in care and outcomes

STREAMLINE MODEL PORTOLIO

ISSUES and CHALLENGES:

- Complex payment policies and model overlap rules can result in conflicting incentives for providers
- Participants face difficulty in joining or continuing in models due to investment and administrative burden

NEXT STEPS:

- Create a cohesive strategy for model development and evolution and ensure hierarchy of models is rational
- Make model parameters, requirements, and other critical details as transparent and easily understandable as possible

Looking Back, Looking Forward – Building a Strategy

SUPPORT CARE DELIVERY TRANSFORMATION

ISSUES and CHALLENGES:

- Accepting downside risk is challenging if providers lack tools to manage care and risk
- Significant infrastructure investments are often needed to participate in models

NEXT STEPS:

- Make actionable data, learning collaboratives, and payment flexibilities available to participants
- Send strong and consistent signals and expectations about CMS' commitment to value-based care for participants

MODEL DESIGN MAY NOT ENSURE BROAD TRANSFORMATION

ISSUES and CHALLENGES:

- Model design features, including in some cases voluntary participation, can lead to selection bias
- Multi-payer models designed for Medicare providers have not attracted Medicaid and commercial payers

NEXT STEPS:

- Reduce selection bias by improving model design (*e.g.*, benchmarking, risk adjustment, and transformation supports)
- Consider multi-payer alignment opportunities earlier in model design process

Looking Back, Looking Forward – Building a Strategy

COMPLEX FINANCIAL BENCHMARKS UNDERMINE EFFECTIVENESS

ISSUES and CHALLENGES:

- Many financial benchmarks and risk adjustment methodologies have contributed to potential gaming and upcoding and reduced savings for Medicare

NEXT STEPS:

- Set benchmarks to balance maximizing provider participation, while sustainably generating savings
- Improve testing and analysis of benchmarks and risk adjustment methodologies prior to model launch

MODELS SHOULD ENCOURAGE LASTING TRANSFORMATION

ISSUES and CHALLENGES:

- Model testing has been focused on meeting the statutory standards for certification and expansion
- Transformation can be limited to the duration of model test

NEXT STEPS:

- In addition to statutory criteria for model expansion, consider a model's impact on system transformation
- Align models and lessons learned across CMS, including Medicare FFS, Medicare Advantage, and Medicaid

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Vision: What's to Come Over the Next 10 Years



**A HEALTH SYSTEM THAT ACHIEVES EQUITABLE OUTCOMES
THROUGH HIGH QUALITY, AFFORDABLE, PERSON-CENTERED CARE**



Drive Accountable Care

- **Aim:** Increase the number of beneficiaries in a care relationship with accountability for quality and total cost of care.
- **Measuring Progress:**
 - All Medicare FFS beneficiaries will be in a care relationship with accountability for quality and total cost of care by 2030.
 - The vast majority of Medicaid beneficiaries will be in a care relationship with accountability for quality and total cost of care by 2030.



Advance Health Equity

- **Aim:** Embed health equity in every aspect of CMS Innovation Center models and increase focus on underserved populations.
- **Measuring Progress:**
 - All new models will require participants to collect and report the demographic data of their beneficiaries and, as appropriate, data on social needs and social determinants of health.*
 - All new models will include patients from historically underserved populations and safety net providers, such as community health centers and disproportionate share hospitals.
 - Identify areas for reducing inequities at the population level, such as avoidable admissions, and set targets for reducing those inequities.



*Data would be collected in a manner in which Protected Health Information complies with HIPAA and other applicable laws.

Support Care Innovations

- **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.
- **Measuring Progress:**
 - Set targets to improve performance of model participants on patient experience measures, such as health and functional status, or a subset of Consumer Assessment of Healthcare Providers and Systems (CAHPS®) measures that assess health promotion and education, shared decision-making, and care coordination.
 - All models will consider or include patient-reported outcomes as part of the performance measurement strategy for the Innovation Center.



Improve Access by Addressing Affordability

- **Aim:** Pursue strategies to address health care prices, affordability, and reduce unnecessary or duplicative care.
- **Measuring Progress:**
 - Set targets to reduce the percentage of beneficiaries that forgo care due to cost by 2030.
 - All models will consider and include opportunities to improve affordability of high-value care by beneficiaries.



Partner to Achieve Health System Transformation

- **Aim: Align priorities and policies across CMS and aggressively engage payers, purchasers, states and beneficiaries** to improve quality, to achieve equitable outcomes, and to reduce health care costs.
- **Measuring Progress:**
 - Where applicable, all new models will make multi-payer alignment available by 2030.
 - All new models will collect and integrate patient perspectives across the life cycle.



Commitment to Transparency & Communication

STAKEHOLDER OUTREACH

The Innovation Center commits to **strengthening communication** with stakeholders, starting with beneficiaries and advocates.

New and more consistent mechanisms for outreach will include regular listening sessions and other events with existing and new partners.

DATA TRANSPARENCY

The Innovation Center is piloting efforts to **share research identifiable files** via the CMS Virtual Research Data Center (VRDC)

Efforts will allow researchers to link claims data with model participant lists.*

DEFINING SUCCESS

The Innovation Center remains committed to its statutory mandate.

Model success will be also considered for impacts on **health equity, person-centered care, and health system transformation** – efforts which are aligned with CMS-wide goals.

*In a manner that safeguards PHI and is consistent with HIPAA and other applicable laws

Moving to Implementation

Stakeholder Engagement (next 3-6 months)

- White paper launch (October 2021)
- Listening sessions with beneficiaries, health equity experts, primary care, safety net, specialty providers, states, and payers (2021-22)
- 2021 LAN Summit (December 2021)
- LAN Health Equity Action Taskforce (Ongoing)

Stakeholder Engagement (next 6-24+ months)

- Outreach to communicate and share strategy via conferences, podcasts, and learning events
- Launching a stakeholder engagement strategy across the life cycle of models
- Sharing model test data with external researchers to contribute to learnings
- Leveraging existing and new mechanisms to enhance engagement with patients, providers, and payers and improve transparency in model design/implementation

2021

2022

2023-2029

Model Opportunities that Inform Strategy and Transformation

- Advancing Health Equity: Community Health Access and Rural Transformation Model
- Accountable Care: Initial cohorts for Primary Care First (PCF) and Global/Professional Direct Contracting (GPDC)
- Accountable Care: ESRD Treatment Choices Model
- Addressing Affordability: Part D Senior Savings Model

Examples of Model Opportunities that Advance Strategy and Inform Transformation

- GPDC Second Cohort
- PCF Second Cohort
- Kidney Care Choices model
- Radiation Oncology model

Model Types that Drive Transformation

- ACO model tests that create accountability for total cost of care and outcomes
- Advanced primary care model tests
- Specialty care model tests that support integrated, whole-person care
- State total cost of care model tests

Examples of Efforts to Address Cross-Model Issues

- Health equity data collection
- SDoH screening and referral
- Benchmarking
- Risk adjustment
- Provider performance data platforms
- Engaging providers that care for underserved beneficiaries

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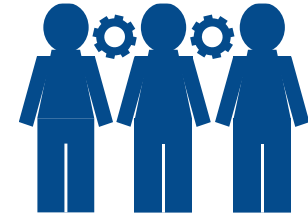
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The Innovation Center's Upcoming Listening Sessions

- As noted earlier, the Innovation Center is committed to increased stakeholder engagement and partnership.
- The first of the Listening Session Series will focus on the Strategy Refresh overall and it will be scheduled for **November**.
- Additional topic-focused listening sessions will be scheduled for November and December.
- We hope you can join us and help spread the word!



Additional Information

- Visit the [CMS Innovation Strategic Direction](#) webpage and [read the white paper](#)
- Email your questions and feedback to CMMIStrategy@cms.hhs.gov
- [Sign up to receive regular email updates](#) about the CMS Innovation Center, including opportunities to engage with, provide input on and potentially participate in model tests
- [Follow us](#) @CMSinnovates on Twitter

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