CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICARE & MEDICAID INNOVATION

Center for Medicare and Medication Innovation

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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 from Statute:

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.

CMS
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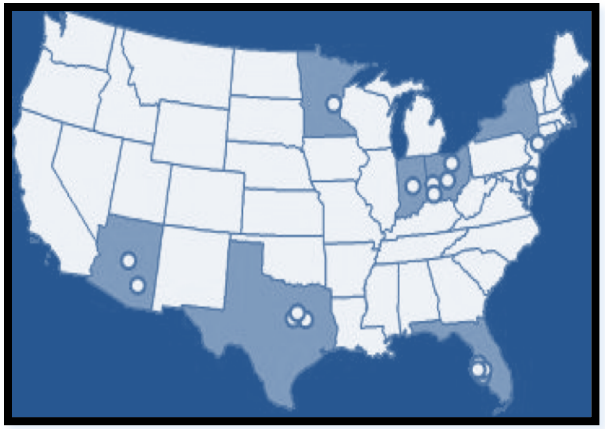
Medicare Diabetes Prevention Program (DPP) Expanded Model

MDPP is a structured behavioral intervention with the goal of preventing progression to type 2 diabetes in individuals with an indication of pre-diabetes.

Timeline:

2012 – CMS Innovation Center awarded Health Care Innovation Award to The Young Men's Christian Association of the USA (YMCA) to test the DPP in **>7,000 Medicare beneficiaries with pre-diabetes** across 17 sites nationwide.



2016 – **DPP announced as the first ever prevention model to meet statutory criteria for expansion.** The Secretary determined that DPP:

- *Improves quality of care* ⇨ *beneficiaries lost about five percent body weight*
- *Certified by the Office of the Actuary as cost-saving* ⇨ *projected net savings of $186 Million to the Medicare Program over a 10 year period*
- *Does not alter the coverage or provision of benefits*

2016 - 2017 – National expansion established through rulemaking, with policies to create a **new supplier class** finalized in CY 2017 PFS Final Rule and additional policies related to **performance-based payment** proposed in CY 2018 PFS Proposed Rule.

April 2018 – National availability of MDPP set of services to Medicare beneficiaries.

Maryland All-Payer Model reports $429 million in Medicare hospital cost savings over three years

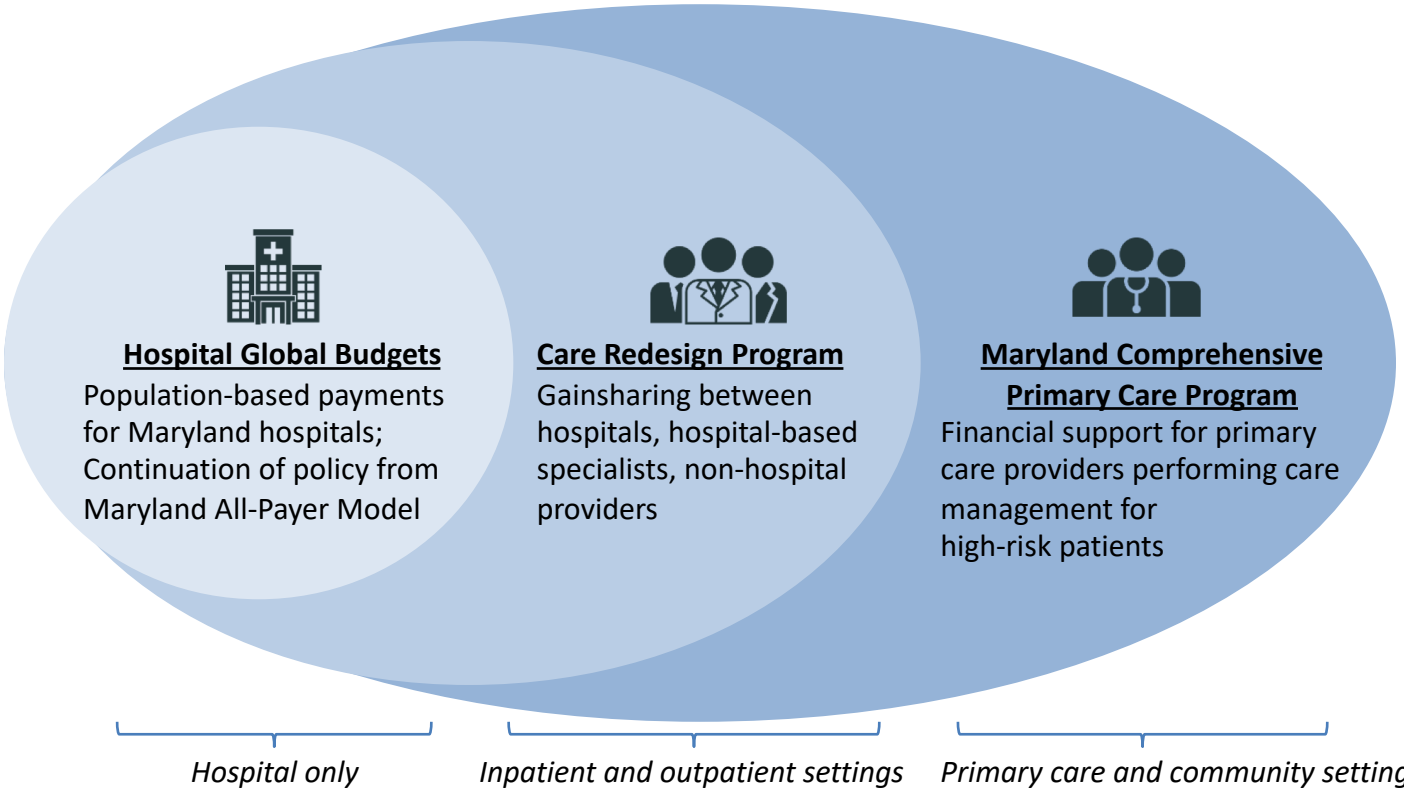
- Maryland has the nation's only statewide **all-payer hospital global budget model**
- The model tests whether hospital global budgets can achieve **improvements in quality** and reduce **per capita hospital cost growth**
- The All-Payer Model has positive **results to date** (2014-2016)
  - The state reports approx. **$429 million in Medicare hospital cost savings**
  - **All-payer total hospital per capita cost growth** significantly below the 3.58% target
  - 30-day all cause readmission rate **fell from 1.2% to 0.4% above national rate**

- Hospitals began moving into All-Payer Global Budgets in July 2014
  - 95% of Maryland hospital revenue will be in global budgets
  - All 47 MD hospitals have signed agreements
- Model was initiated in January 2014; five year test period
- Maryland has proposed building on existing global budgets, towards a population-based total cost of care model.

Maryland Total Cost of Care Model

New Model in Maryland Covering Full Continuum of Care

Components of Maryland Total Cost of Care Model



Benefits of TCOC Model

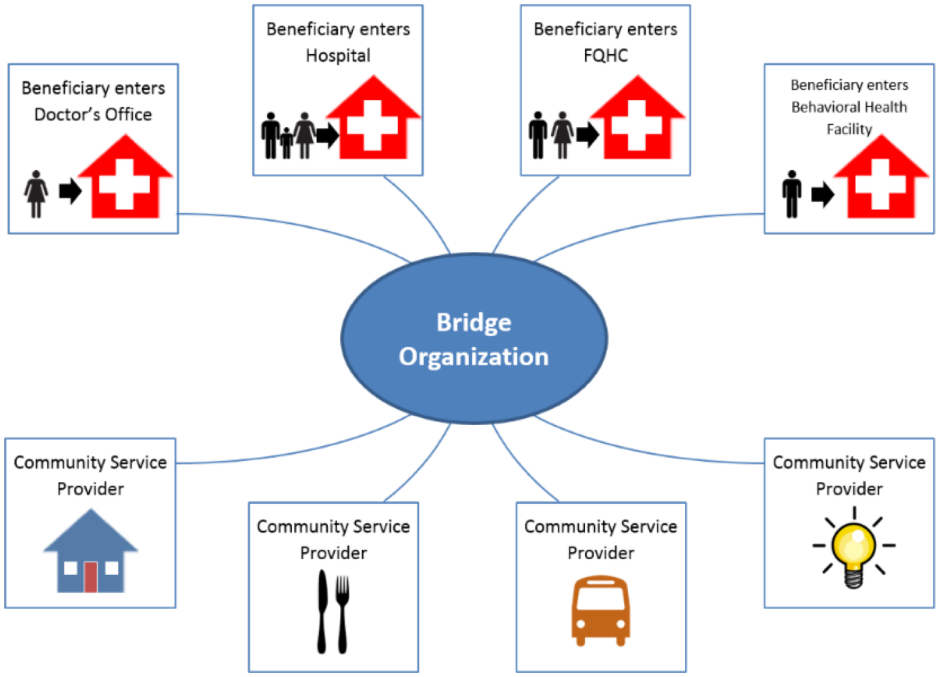
- ✓ Adds new providers and settings into care transformation effort
- ✓ Links disparate providers to create more patient-centered care
- ✓ Aligns incentives across providers to reduce hospitalizations and total cost of care

Performance Period begins January 1, 2019 and continues through 2026

Accountable Health Communities Model addresses health-related social needs

Key Innovations

- **Systematic screening** of all Medicare and Medicaid beneficiaries to identify unmet health-related social needs
- Tests the **effectiveness of referrals and community services navigation** on total cost of care using a rigorous mixed method evaluative approach
- **Partner alignment** at the community level and implementation of a community-wide quality improvement approach to address beneficiary needs



Model Tracks

Assistance Track

- **Bridge Organizations** in this track provide community service navigation services to ***assist*** high-risk beneficiaries with accessing services to address health-related social needs

Alignment Track

- **Bridge Organizations** in this track encourage partner ***alignment*** to ensure that community services are available and responsive to the needs of beneficiaries