

CMS Develops Center for Medicare & Medicaid Innovation

The Centers for Medicare & Medicaid Services (CMS) has recently announced the development of the Center for Medicare and Medicaid Innovation (CMI). Created by the Patient Protection and Affordable Care Act (ACA), CMI is the latest payment reform provision to be implemented. Congress has charged CMI with identifying, testing, and disseminating new methods of care coordination and payment.¹ Specifically, CMI plans to consult with key stakeholders such as physicians, hospitals, consumers, payors, advocates, states, and employers in order to develop and implement the best methods for delivering healthcare and paying providers.²

By exploring new approaches of delivering and paying for healthcare, CMI hopes to improve both the quality of care delivered and the affordability of coverage to patients.³ Initially, CMI will focus on three areas: (1) improving care provided to patients; (2) improving patient health outcomes through care coordination; and, (3) community care models.⁴ Toward that end, CMI will select small groups of providers to test 20 different payment and delivery models identified in the health reform law, including: patient-centered medical homes; fee-for-service reimbursement; global payment schemes; community-based health teams; and, telehealth and information technology innovations.⁵ Additionally, CMI has announced that \$1 million in contracts will be awarded to as many as 15 states willing to support the development of new healthcare models, which are aimed at improving the quality of care and the coordination of care for dual eligible patients, i.e., those patients eligible for both Medicare and Medicaid benefits.⁶

To be successful, CMI must be flexible with respect to payment reform approaches introduced by states and the private insurance sector. Active involvement by CMI in pilot programs, also created under the ACA, will keep those involved up-to-date on any progress and provide programs with much needed feedback.⁷ While CMI has the potential to promote the models of care delivery

envisioned under the ACA to improve both quality and lower costs, potential obstacles to achieving those goals include: funding, timely and efficient feedback and analysis of the programs, and sufficient authority to implement the programs that are found to be effective on a national level.⁸

¹ "Introducing the CMS Center for Medicare & Medicaid Innovation" By Don Berwick, Administrator of the Centers for Medicare & Medicaid Services, Posted on CMS Innovations, November 16, 2010, <http://innovations.cms.gov/blog/introducing.shtml> (Accessed 2/4/11).

² "CMS establishes Center for Medicare and Medicaid Innovation" TriMed Media Group, November 16, 2010, http://www.healthimaging.com/index.php?option=com_articles&view=article&id=25190:cms-establishes-center-for-medicare-and-medicare-innovation (Accessed 2/4/11); "Innovation In Medicare And Medicaid Will Be Central To Health Reform's Success" By Stuart Guterman, et al., Health Affairs Vol. 29, No. 6, June 2010, p. 1188-1189.

³ "Introducing the CMS Center for Medicare & Medicaid Innovation" By Don Berwick, Administrator of the Centers for Medicare & Medicaid Services, Posted on CMS Innovations, November 16, 2010, <http://innovations.cms.gov/blog/introducing.shtml> (Accessed 2/4/11).

⁴ "Introducing the CMS Center for Medicare & Medicaid Innovation" By Don Berwick, Administrator of the Centers for Medicare & Medicaid Services, Posted on CMS Innovations, November 16, 2010, <http://innovations.cms.gov/blog/introducing.shtml> (Accessed 2/4/11).

⁵ "Innovation In Medicare And Medicaid Will Be Central To Health Reform's Success" By Stuart Guterman, et al., Health Affairs Vol. 29, No. 6, June 2010, p. 1189-1190.

⁶ "CMS establishes Center for Medicare and Medicaid Innovation" By Chelsey Ledue, MedTech Media, November 16, 2010, <http://www.healthcarefinancenews.com/news/cms-establishes-center-medicare-and-medicare-innovation> (Accessed 2/4/11).

⁷ "New Reports: Center for Medicare and Medicaid Innovation Must Develop and Implement Payment Reforms Rapidly to Achieve Goals of Effective, Coordinated, Efficient Care" The Commonwealth Fund, News Release (June 8, 2010), Accessed at <http://www.commonwealthfund.org/Content/News/News-Releases/2010/Jun/New-Reports-Center-for-Medicare.aspx> (Accessed 2/11/2011), p. 2.

⁸ "Innovation In Medicare And Medicaid Will Be Central To Health Reform's Success" By Stuart Guterman, et al., Health Affairs Vol. 29, No. 6, June 2010, p. 1192-1193.



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