

## 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.<sup>1</sup> 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.<sup>2</sup>

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.<sup>3</sup> 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.<sup>4</sup> 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.<sup>5</sup> 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.<sup>6</sup>

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.<sup>7</sup> 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.<sup>8</sup>

<sup>1</sup> "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).

<sup>2</sup> "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](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.

<sup>3</sup> "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).

<sup>4</sup> "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).

<sup>5</sup> "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.

<sup>6</sup> "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).

<sup>7</sup> "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.

<sup>8</sup> "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.



(800) FYI - VALU

*Providing Solutions  
in the Era of  
Healthcare Reform*

Founded in 1993, HCC is a  
nationally recognized healthcare  
economic financial consulting firm

- [HCC Home](#)
- [Firm Profile](#)
- [HCC Services](#)
- [HCC Experts](#)
- [Clients Projects](#)
- [HCC News](#)
- [Upcoming Events](#)
- [Contact Us](#)
- [Email Us](#)

**HEALTH CAPITAL CONSULTANTS (HCC)** is an established, nationally recognized healthcare financial and economic consulting firm headquartered in St. Louis, Missouri, with regional personnel nationwide. Founded in 1993, HCC has served clients in over 45 states, in providing services including: valuation in all healthcare sectors; financial analysis, including the development of forecasts, budgets and income distribution plans; healthcare provider related intermediary services, including integration, affiliation, acquisition and divestiture; Certificate of Need (CON) and regulatory consulting; litigation support and expert witness services; and, industry research services for healthcare providers and their advisors. HCC's accredited professionals are supported by an experienced research and library support staff to maintain a thorough and extensive knowledge of the healthcare reimbursement, regulatory, technological and competitive environment.



**Robert James Cimasi**, MHA, ASA, FRICS, MCBA, AVA, CM&AA, serves as President of **HEALTH CAPITAL CONSULTANTS (HCC)**, a nationally recognized healthcare financial and economic consulting firm headquartered in St. Louis, MO, serving clients in 49 states since 1993. Mr. Cimasi has over thirty years of experience in serving clients, with a professional focus on the financial and economic aspects of healthcare service sector entities including: valuation consulting and capital formation services; healthcare industry transactions including joint ventures, mergers, acquisitions, and divestitures; litigation support & expert testimony; and, certificate-of-need and other regulatory and policy planning consulting.

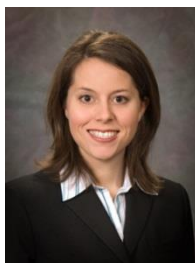
Mr. Cimasi holds a Masters in Health Administration from the University of Maryland, as well as several professional designations: Accredited Senior Appraiser (ASA – American Society of Appraisers); Fellow Royal Intuition of Chartered Surveyors (FRICS – Royal Institute of Chartered Surveyors); Master Certified Business Appraiser (MCBA – Institute of Business Appraisers); Accredited Valuation Analyst (AVA – National Association of Certified Valuators and Analysts); and, Certified Merger & Acquisition Advisor (CM&AA – Alliance of Merger & Acquisition Advisors). He has served as an expert witness on cases in numerous courts, and has provided testimony before federal and state legislative committees. He is a nationally known speaker on healthcare industry topics, the author of several books, the latest of which include: *“The U.S. Healthcare Certificate of Need Sourcebook”* [2005 - Beard Books], *“An Exciting Insight into the Healthcare Industry and Medical Practice Valuation”* [2002 – AICPA], and *“A Guide to Consulting Services for Emerging Healthcare Organizations”* [1999 John Wiley and Sons].

Mr. Cimasi is the author of numerous additional chapters in anthologies; books, and legal treatises; published articles in peer reviewed and industry trade journals; research papers and case studies; and, is often quoted by healthcare industry press. In 2006, Mr. Cimasi was honored with the prestigious *“Shannon Pratt Award in Business Valuation”* conferred by the Institute of Business Appraisers. Mr. Cimasi serves on the Editorial Board of the Business Appraisals Practice of the Institute of Business Appraisers, of which he is a member of the College of Fellows.



**Todd A. Zigrang**, MBA, MHA, ASA, FACHE, is the Senior Vice President of **HEALTH CAPITAL CONSULTANTS (HCC)**, where he focuses on the areas valuation and financial analysis for hospitals and other healthcare enterprises. Mr. Zigrang has significant physician integration and financial analysis experience, and has participated in the development of a physician-owned multi-specialty MSO and networks involving a wide range of specialties; physician-owned hospitals, as well as several limited liability companies for the purpose of acquiring acute care and specialty hospitals, ASCs and other ancillary facilities; participated in the evaluation and negotiation of managed care contracts, performed and assisted in the valuation of various healthcare entities and related litigation support engagements; created pro-forma financials; written business plans; conducted a range of industry research; completed due diligence practice analysis; overseen the selection process for vendors, contractors, and architects; and, worked on the arrangement of financing.

Mr. Zigrang holds a Master of Science in Health Administration and a Masters in Business Administration from the University of Missouri at Columbia, and is a Fellow of the American College of Healthcare Executives. He has co-authored *“Research and Financial Benchmarking in the Healthcare Industry”* (STP Financial Management) and *“Healthcare Industry Research and its Application in Financial Consulting”* (Aspen Publishers). He has additionally taught before the Institute of Business Appraisers and CPA Leadership Institute, and has presented healthcare industry valuation related research papers before the Healthcare Financial Management Association; the National CPA Health Care Adviser's Association; Association for Corporate Growth; Infocast Executive Education Series; the St. Louis Business Valuation Roundtable; and, Physician Hospitals of America.



**Anne P. Sharamitaro**, Esq., is the Vice President of **HEALTH CAPITAL CONSULTANTS (HCC)**, where she focuses on the areas of Certificate of Need (CON); regulatory compliance, managed care, and antitrust consulting. Ms. Sharamitaro is a member of the Missouri Bar and holds a J.D. and Health Law Certificate from Saint Louis University School of Law, where she served as an editor for the Journal of Health Law, published by the American Health Lawyers Association. She has presented healthcare industry related research papers before Physician Hospitals of America and the National Association of Certified Valuation Analysts and co-authored chapters in *“Healthcare Organizations: Financial Management Strategies,”* published in 2008.