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**HHS providing states with additional flexibility, resources to enhance care  
HHS announces 25 states will receive funding to test new models of care that will improve  
health, lower costs**

Health and Human Services (HHS) Secretary Kathleen Sebelius today announced the first recipients of State Innovation Model awards made possible by the Affordable Care Act. Nearly \$300 million in awards will provide flexibility and support to states to help them deliver high-quality health care, lower costs, and improve their health system performance. HHS is also releasing a new report titled Medicaid Moving Forward, which underscores the innovative efforts states and HHS have already undertaken to improve care and lower costs in their Medicaid programs.

“As a former governor, I understand the real sense of urgency that states feel to improve the health of their populations while also reducing total health care costs, and it’s critical that the many elements of health care in each state -- including Medicaid, public health, and workforce training -- work together,” Secretary Sebelius said. “We are encouraged by the progress states have made and look forward to continuing to work with them as they move forward.”

Model Testing awards will support Arkansas, Maine, Massachusetts, Minnesota, Oregon, and Vermont in implementing their plans for health care delivery system transformation. The six selected states will use funds to test multi-payer payment and service delivery models, including approaches already under way at CMS, such as Accountable Care Organizations, on a broader scale within their state. Through the State Innovation Model Testing awards, CMS will learn whether these new models produce greater results when implemented broadly and combined with additional state-wide reforms.

An additional 19 states will receive awards to further develop proposals for comprehensive health care transformation.

“States have taken important steps in partnership with HHS, private payers, Medicaid, CHIP and their public health departments,” said CMS Acting Administrator Marilyn Tavenner. “The State Innovation Model awards are designed to bring additional flexibility to states on their path to improving their health care systems.”

The Medicaid Moving Forward report highlights recent initiatives underway to support state efforts to achieve the goals of improving care and lowering costs in Medicaid and the Children’s Health Insurance Program (CHIP). It outlines specific examples of how states are using these tools to

advance their own state initiatives. This report identifies current opportunities states can take advantage of now.

For more information on the Medicaid Moving Forward report released today, please go to: <http://www.medicaid.gov/State-Resource-Center/Events-and-Announcements/Events-and-Announcements.html>.

For more information on the awards announced today, please go to: <http://innovation.cms.gov/initiatives/State-Innovations/>.

To learn more about other innovative models being tested by the CMS Innovation Center, please visit: [innovation.cms.gov](http://innovation.cms.gov).

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