



News Release

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FOR IMMEDIATE RELEASE

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Administration announces \$1 billion initiative to launch Health Care Innovation Awards to provide better health care and lower costs

Health and Human Services Secretary Kathleen Sebelius today announced a nearly \$1 billion initiative that will fund awards and evaluation to build on the Obama administration's work to transform the health care system by delivering better care and lowering costs. This second round of Health Care Innovation Awards will fund applicants that have a high likelihood of driving health care system transformation and delivering better outcomes.

"These awards will continue our work to drive down health care costs while providing high quality care to all Americans, and I'm excited to see the innovative ideas these applicants will bring to the table," Secretary Sebelius said. "Organizations from the public and private sectors throughout the country are finding creative solutions to our health care system challenges and these awards will continue to stimulate these ideas."

Made possible by the Affordable Care Act, the Health Care Innovation Awards provides another opportunity to improve the quality of health care and bring down costs for taxpayers and patients. The health care law includes many tools to avoid costly mistakes and readmissions, keep patients healthy, reward quality instead of quantity, and create health information technology infrastructure that enables new payment and delivery models to work. The provisions in the Affordable Care Act are already working to reduce costs: Medicare spending per beneficiary increased by just 0.4 percent last year, far below historical averages.

Last year, the Centers for Medicare & Medicaid Services (CMS) awarded 107 round one Health Care Innovation Awards out of nearly 3,000 applications to organizations that are currently testing innovative solutions to improve outcomes and reduce costs. Projects are located in urban and rural areas, all 50 states, the District of Columbia and Puerto Rico, and include:

The Courage Center in Minnesota is helping to redefine primary care for adults with disabilities. The Courage Center provides a medical home for people with traumatic brain injury and those in wheel chairs. These patients have significantly lower rates of depression and, as reported by *Health Affairs*, have reduced rates of hospitalization by 71% - from 10.8 days per year to only 3.1 days per year.

Welvie, LLC in Ohio is teaming with Anthem Blue Cross Blue Shield in Ohio to enable Medicare beneficiaries make better informed treatment decisions about surgery and their treatment options. Since September 2012,

nearly 3,500 patients have participated, with 48 percent considering surgery alternatives and 17 percent choosing less invasive options, resulting in an average savings of \$7,000 for each surgery avoided. 95 percent of participants have reported very high levels of satisfaction with the program.

This second round of Health Care Innovation Awards differs from the first round in that CMS is specifically seeking innovations in four areas: rapidly reducing costs for patients with Medicare and Medicaid in outpatient hospital and other settings; improving care for populations with specialized needs; testing improved financial and clinical models for specific types of providers, including specialists; and linking clinical care delivery to preventive and population health. Like the first round, these awards will emphasize results and ensure program integrity.

“We are pleased to be initiating round two of the Health Care Innovation Awards today as we see innovative solutions in delivering and improving care deployed all over the country,” said Marilyn Tavenner, CMS acting administrator. “Over the last three years, we have seen national health care cost growth slow significantly and we want to continue that trend by helping to improve the delivery of healthcare by testing new models of paying for quality care, and these awards will help spur private and public sector innovation in this endeavor.”

For more information, including a fact sheet and Funding Opportunity Announcement, please visit the Health Care Innovation Awards initiative website at: <http://innovation.cms.gov/initiatives/Health-Care-Innovation-Awards/Round-2>.

- [Watch the Video: Health Care Innovators on Innovation](#)

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