



Office of Media Affairs

CMS FACT SHEET

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Contact: CMS Office of Media Affairs
(202) 690-6145

The Center for Medicare and Medicaid Innovation

Created by the Affordable Care Act, the Center for Medicare and Medicaid Innovation aims to explore innovations in health care delivery and payment that will enhance the quality of care for Medicare and Medicaid beneficiaries, improve the health of the population, and lower costs through improvement.

The Innovation Center will consult a diverse group of stakeholders including hospitals, doctors, consumers, payers, states, employers, advocates, relevant federal agencies and others to obtain direct input and build partnerships for its upcoming work. This dialogue will center on three areas of emphasis consistent with the Innovation Center's goals.

- **Better Care for Individuals:** Improving care for patients in formal care settings like hospitals, nursing homes, and doctors' offices, and developing innovations that make care safer, more patient-centered, more efficient, more effective, more timely, and more equitable. The Innovation Center will also promote the use of "bundled payments," a more efficient approach to paying for care where providers collaborate to manage multiple procedures as part of a single episode with a single payment, rather than the current fee-for-service method of submitting separate bills for each procedure, which leads to higher costs.
- **Coordinating Care to Improve Health Outcomes for Patients:** Developing new models that make it easier for doctors and clinicians in different care settings to work together to care for a patient. Examples include identifying and widely deploying the best advanced primary care and health home models, and supporting innovations in accountable care organizations.
- **Community Care Models:** Exploring steps to improve public health and make communities healthier and stronger. The Innovation Center will work to identify and address major public health crises and the appropriate interventions for areas of great concern, such as obesity, smoking, and heart disease.

The Innovation Center will rigorously and rapidly assess the progress of its programs and work with providers and other payers to replicate successful innovations in communities across the country. It will test models that include establishing "open innovation communities" that will serve as information clearinghouses for best practices of health care delivery reform. These communities will act as testing grounds for new practices, yielding innovative ideas and lessons, and fostering ongoing exchange on shared challenges.

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To initiate its work, the Innovation Center will have a series of open forum calls and in-person regional community listening sessions that are open to the public and will be hosted by Richard Gilfillan, M.D., Acting Director of the Innovation Center. These meetings will help Innovation Center leaders obtain input regarding the Center's goals, operating plans and priorities. Information about the Innovation Center and upcoming calls and listening sessions will be www.innovations.cms.gov.

Support for Care Coordination Programs as Part of the Innovation Center's Launch

In conjunction with the launch of the Innovation Center, CMS is also announcing new initiatives to improve care for Americans enrolled in Medicare and Medicaid. These initiatives include:

- **Expansion of the Multi-Payer Advanced Primary Care Practice Demonstration:** Eight states have been selected to participate in a demonstration project to evaluate the effectiveness of doctors and other health professionals across the care system working in a more integrated fashion and receiving payment from Medicare, Medicaid, and private health plans. Maine, Vermont, Rhode Island, New York, Pennsylvania, North Carolina, Michigan, and Minnesota will participate in this demonstration that will ultimately include up to approximately 1,200 medical homes serving up to one million Medicare beneficiaries.
- **Announcement of the Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration:** This demonstration will test the effectiveness of doctors and other health professionals working in teams to treat low-income patients at community health centers. The demonstration will be conducted by the Innovation Center in up to 500 FQHCs and provide patient-centered, coordinated care to up to 195,000 people with Medicare.
- **Launch of the Medicaid Health Home State Plan Option:** Authorized by the Affordable Care Act, this new State plan option allows patients enrolled in Medicaid with at least two chronic conditions to designate a provider as a "health home" to help coordinate treatments for the patient. States that implement this option will receive enhanced financial resources from the federal government to support "health homes" in their Medicaid programs.

The Innovation Center also announced an upcoming opportunity for demonstration projects that will examine programs that fully integrate care for individuals who are eligible for both Medicare and Medicaid (i.e., dual eligibles). Dual eligibles account for 16 to 18 percent of enrollees in Medicare and Medicaid, but roughly 25 to 45 percent of spending in these programs respectively. Significant health benefits and savings can come from better coordinating the care of low-income seniors and people with disabilities. States may apply for resources to support the demonstration projects they design beginning in December and the Innovation Center will award up to 15 state program design contracts up to \$1 million each.

The initiatives described above affect a broad range of providers, from small rural physician practices to urban federally qualified health centers. They also involve multiple payers in both the public and private sectors. Through these programs, CMS and the Innovation Center will, by 2012, be a core partner in over 1,500 patient-centered primary care practices that will provide integrated, coordinated care to millions of Medicare and Medicaid beneficiaries, and we anticipate that millions of others who will receive their care in these systems will also benefit.