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

CMS Introduces New Center for Medicare and Medicaid Innovation, Initiatives to Better Coordinate Health Care *New Demonstration Programs Support Innovation Center Goals*

The Centers for Medicare & Medicaid Services (CMS) today formally established the new Center for Medicare and Medicaid Innovation (Innovation Center). Created by the Affordable Care Act, the Innovation Center will examine new ways of delivering health care and paying health care providers that can save money for Medicare and Medicaid while improving the quality of care. CMS also announced the launch of new demonstration projects that will support efforts to better coordinate care and improve health outcomes for patients.

“For too long, health care in the United States has been fragmented—failing to meet patients’ basic needs, and leaving both patients and providers frustrated. Payment systems often fail to reward providers for coordinating care and keeping their patients healthy reinforcing this fragmentation,” said Donald Berwick, M.D., CMS Administrator. “The Innovation Center will help change this trend by identifying, supporting, and evaluating models of care that both improve the quality of care patients receive and lower costs.”

“The Innovation Center will be a new, and much needed driver of innovation aimed at improving health care for Medicare and Medicaid beneficiaries. The Center will identify and test care models that provide beneficiaries with a seamless care experience, better health and lower costs,” said Acting Innovation Center Director, Richard Gilfillan, M.D. “By working together with innovative and committed providers we can create a system that works better for everyone. We want to identify, validate, and scale models that have been effective in achieving better outcomes and improving the quality of care, but may be relatively unknown.”

The Innovation Center will consult stakeholders across the health care sector including hospitals, doctors, consumers, payers, states, employers, advocates, relevant federal agencies and others to obtain direct input on its operations and to build partnerships with those that interested in its work. The organization will also test models that include establishing an “open innovation community” that serves as an information clearinghouse of best practices in health care innovation. The Center will also work with stakeholders to create learning communities that help other providers rapidly implement these new care models. As part of this engagement, today, Administrator Berwick and Acting Director Gilfillan, met with stakeholders representing the health care industry, as well as consumers, states, and employers, to discuss the Innovation Center and its planned activities.

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CMS also announced several new initiatives to strengthen primary care and better coordinate care for patients.

“Health care is often fragmented, causing confusion, waste, and sometimes poor outcomes,” said Dr. Berwick. “Primary care that is person-centered, coordinated, and seamless – creating a ‘health home’ - is a foundation upon which a high performing system that delivers health, not just care, needs to be built.”

New initiatives will test “health home” and “medical home” concepts:

- 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 more coordinated payment from Medicare, Medicaid, and private health plans. Maine, Vermont, Rhode Island, New York, Pennsylvania, North Carolina, Michigan, and Minnesota will participate in the Multi-Payer Advanced Primary Care Practice Demonstration that will ultimately include up to approximately 1,200 medical homes serving up to one million Medicare beneficiaries.
- The Federally Qualified Health Center (FQHC) Advanced Primary Care Practice 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.
- A new State plan option under which patients enrolled in Medicaid with at least two chronic conditions can designate a provider as a “health home” that would 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 States to apply for contracts to support development of new models aimed at improving care quality, care coordination, cost-effectiveness, and overall experience of beneficiaries who are eligible for both Medicare and Medicaid, also known as “dual eligibles.” The Innovation Center expects to award up to \$1 million in design contracts to as many as 15 state programs for this work.

More information on the CMMI and these initiatives is available at:
www.innovations.cms.gov.

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