State Innovation Models Initiative

Karen Murphy
Agenda

- Center for Medicare and Medicaid Innovation
  - State Innovation Models Initiative
  - Medicaid Innovation Accelerator Program
  - Looking forward
The CMS Innovation Center

**Identify, Test, Evaluate, Scale**

“The purpose of the [Center] is to test innovative payment and service delivery models to reduce program expenditures...while preserving or enhancing the quality of care furnished to individuals under such titles.”

- *The Affordable Care Act*
CMS Innovations Portfolio: Testing New Models to Improve Quality

Accountable Care Organizations (ACOs)
- Medicare Shared Savings Program (Center for Medicare)
- Pioneer ACO Model
- Advance Payment ACO Model
- Comprehensive ERSD Care Initiative

Primary Care Transformation
- Comprehensive Primary Care Initiative (CPC)
- Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration
- Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration
- Independence at Home Demonstration
- Graduate Nurse Education Demonstration

Bundled Payment for Care Improvement (BPCI)
- Model 1: Retrospective Acute Care
- Model 2: Retrospective Acute Care Episode & Post Acute
- Model 3: Retrospective Post Acute Care
- Model 4: Prospective Acute Care

Capacity to Spread Innovation
- Capacity to Spread Innovation
- Partnership for Patients
- Community-Based Care Transitions
- Million Hearts

Health Care Innovation Awards

State Innovation Models Initiative

Initiatives Focused on the Medicaid Population
- Medicaid Emergency Psychiatric Demonstration
- Medicaid Incentives for Prevention of Chronic Diseases
- Strong Start Initiative

Medicare-Medicaid Enrollees
- Financial Alignment Initiative
- Initiative to Reduce Avoidable Hospitalizations of Nursing Facility Residents
- Medicaid Innovation Accelerator
Preliminary example results

- Cost growth leveling off - actuaries and multiple studies indicated partially due to “delivery system changes”
- Moving the needle on some national metrics, e.g.,
  - Readmissions
  - Safety Measures
- Increasing value-based payment and accountable care models
Preliminary results: Medicare per capita spending growth is at a historic low

Medicare per capita spending growth
%
, year over year

*Medicare Part D prescription drug benefit implementation, Jan 2006

Source: CMS Office of the Actuary
Preliminary results: Medicare all-cause 30-day readmission rate has been falling
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State Innovation Model (SIM)

CMS is testing the ability of state governments to utilize policy and regulatory levers to accelerate health care transformation.

- Improve population health
- Improve quality of care delivery
- Increase cost efficiency / expand value-based payment
SIM is partnering with states using model design and test awards

**Model Design**
- Design State Health Care Innovation Plans
  - ~$1-3M awarded to selected states

**Model Test**
- Implement and test State Health Care Innovation Plans
  - ~$30-45M awarded to selected states

All awardees must include in their plans:
- Multi-payer payment and service delivery models
- Alignment of payment incentives with performance improvement
- Focus on Medicaid, CHIP, and Medicare populations
- Approach to address both acute and long-term care health needs
- Plan for scalability and sustainability
Significant number of states have demonstrated interest in SIM participation

State participation in SIM model

- Round 1 Test States are still in progress
- Round 1 Design States developed SHIP’s
## SIM Round 1 efforts to date

<table>
<thead>
<tr>
<th>Model Design States</th>
<th>Model Test States (ongoing)</th>
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<tbody>
<tr>
<td>▪ 19 States participated</td>
<td>▪ 6 States participating: AR, OR, ME, MA, MN, and VT</td>
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<tr>
<td>▪ Significant outreach conducted:</td>
<td>▪ A Building foundation of participating payers and providers</td>
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<tr>
<td>– 100 commercial payers</td>
<td>▪ B Testing different types and combinations of delivery system models</td>
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<tr>
<td>– 5,200 stakeholders</td>
<td>▪ C Complementing payment and service delivery models with enabling strategies:</td>
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<tr>
<td>– 1,300 meetings</td>
<td>– Workforce development</td>
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<tr>
<td>▪ State Health Innovation Plans posted publicly on state websites</td>
<td>– Health Information Technology (HIT)</td>
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<td></td>
<td>– Data aggregation and analytics</td>
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<td>– Learning collaboratives</td>
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<td></td>
<td>▪ D CMMI supporting states on learning system and health IT resources</td>
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Details to follow
Round 1 Test States are testing different types and combinations of delivery system models

<table>
<thead>
<tr>
<th></th>
<th>PCMH</th>
<th>Health Homes</th>
<th>Accountable Care</th>
<th>Episodes</th>
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</thead>
<tbody>
<tr>
<td>Arkansas</td>
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<tr>
<td>Maine</td>
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<td>Massachusetts</td>
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<td>Minnesota</td>
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<td>Oregon</td>
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<td>Vermont</td>
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### Round 1 Test States are integrating community services and population health

<table>
<thead>
<tr>
<th>Community services</th>
<th>Population health</th>
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<tr>
<td>▪ Piloting community health workers to address population health needs of underserved populations</td>
<td>▪ All model test states are developing strategies on smoking cessation, hypertension, and obesity</td>
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<tr>
<td>▪ Implementing e-Referral program linking primary care to community resources</td>
<td>▪ CDC is working with states to develop state-wide population health plans that will integrate health and health care delivery systems</td>
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<td>▪ Testing ACOs, public health and social services working together at the community level</td>
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<tr>
<td>• Community Advisory Councils to develop community health assessment and health improvement plans</td>
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## Round 1 Test States are complementing care and payment approach with enabling strategies

**State-specific examples**

### Workforce development
- AR: Team-based care
- MN: Community health workers in ACOs
- OR: Long-term innovator agents
- VT: Practice facilitators

### Health Information Technology (HIT)
- ME: Sharing real-time data with payers and providers
- MA: Providing HIE TA to behavioral health and LTSS providers
- OR: Developing data sharing capacity and interoperability among providers in CCO’s facilitating care coordination
- Expanding capacity to transmit clinical data from EHRs to the VT HIE

### Data aggregation and analytics
- ME: Aligning quality measures; improving public reporting of cost and quality data; provider portals for providers to access claims and outcomes data
- MN: Providing data analytic support to Integrated Health Partnerships to improve care coordination
- OR: Developing APCD and interactive dashboard reports
- Moving state toward Learning Health System using advanced analytics and predictive modeling

### Consumer engagement
- ME: Blue Button program; VBID and payment reform media campaign; Training for advocates and navigators.
- OR: State-wide listening sessions
CMMI is supporting Round 1 Test States on learning system and Health IT resources

### Learning system
- Develop learning content
  - Initial focus on population health, HIT, and quality measures
  - Identifying best practices, breakthrough ideas
  - Capturing via various media such as case studies, video vignettes, one-pagers, webinars
- Foster peer-to-peer connections through shared learning activities (virtual events, convening's)
- Track progress/performance by providing dashboards to the states

### Health IT
- Utilize existing tools, resources, and technical assistance mechanisms
- CMMI and ONC to build on experience gained from ONC’s current and previous programs (State HIE, Beacon Community, and Regional Extension programs)
Payer/provider engagement and staffing challenges need to be addressed

<table>
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<tr>
<th>Challenges</th>
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<td>- Competing value-based strategies that are difficult to integrate or pursue simultaneously</td>
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<td>- Potential to mirror commercial payers to achieve multipayer aspect have shown success</td>
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<td>- Many providers affected by innovation efforts</td>
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<td>- Meaningfully engage all relevant providers through design and implementation phases is challenging</td>
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<td>- State staffing gap, both in terms of number and skills</td>
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<td>- Innovation fatigue</td>
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Round 2 SIM

- SIM Round 2 Funding Opportunity Announcement (FOA) published May 22\textsuperscript{nd} for >$700M
  - Funding for up to 12 Model Test and 15 Model Design Awards

- Selection Criteria
  - Stakeholder engagement
  - Multi-payer
  - Population health plan
  - Quality Measurement alignment
  - Enabling strategies

- Announcement later this year
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Medicaid Innovator Accelerator Program

- CMCS and CMMI Collaboration
- Goal: Provide a coordinated approach to supporting innovations in Medicaid
- Working with SIM and non-SIM states
- Over $100 million in funding technical assistance in key areas
  - Quality Measurement
  - Data and Analytics
  - Model Development
  - Learning and Diffusion
  - Evaluation
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Conclusion and looking forward

- Innovation Center
  - Engaged in multiple models to drive innovation
  - Improvements are occurring
- State Innovation Models
  - Working with over half the states in the country on transforming health
  - Next round to be announced soon
- Medicaid Innovation Accelerator Program