

State Innovation Models



*Centers for Medicare and
Medicaid Services*

July 26, 2012

Webinar

Agenda

Background: The Center for Medicare and Medicaid Innovation

Introduction to the State Innovation Models Initiative

A Vision for the Future: State Health Care Innovation Plans

How to Participate

Award Timeline and Next Steps

Our health care system is in transition

Current System

- Provides the best acute care in the world

But, our system is:

- **Uncoordinated** – Fragmented delivery systems with highly variable quality
- **Unsupportive** of patients and physicians
- **Unsustainable** – Costs rising at twice the inflation rate

Future System

- Affordable
- Accessible - to care and to information
- Seamless and Coordinated
- High Quality - timely, equitable, safe
- Person and Family-Centered
- Supportive of Clinicians in serving their patient's needs

CMMI tests, evaluates and scales innovative payment and service delivery models

“The purpose of the Center is to test innovative payment and service delivery models to reduce program expenditures under Medicare, Medicaid, and CHIP...while preserving or enhancing the quality of care furnished.”

- **Resources:** \$10 billion funding for FY2011 through 2019
- **Opportunity to scale:** The HHS Secretary has the authority to expand successful models to the national level

We measure our success in terms of better health, better health care and lower cost

- 1. Better health:** Better health as measured by individual and population metrics
- 2. Better health care:** Improved experience of care measured by safety, effectiveness, patient-centeredness, timeliness, efficiency, and equity metrics
- 3. Lower costs:** Lower total cost of care through improvement

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Overview: The State Innovation Models Initiative to design, test, and replicate successful models

Goals

- Partner with states to develop and implement broad-based State Health Care Innovation Plans
- Plan, design, test, and supporting evaluation of new payment and service delivery models in the context of larger health system transformation
- Utilize the tools and policy levers available to states
- Engage a broad group of stakeholders in health system transformation
- Coordinate multiple strategies into a plan for health system improvement

State Health Care Innovation Plan

- State's comprehensive approach to transform its health care system
- Submitted by Governor and State officials in consultation with stakeholders
- Describes strategy for delivery system evolution into a higher quality, higher value health care delivery system
- Includes multi-payer payment and service delivery models the State plans to test
- Coordinate state health care and health programs & functions, such as: licensing, accreditation, health departments, insurance oversight, educational assistance, publically supported provider entities, etc.

States may apply for one of two types of awards

Description

Funding Amount

Model design

- Provide financial and technical support to states to for their planning and design efforts
- Plans will be comprehensive and include multi-payer payment and delivery system models
- Models should strive to move states toward community-led integrated care strategy and promote improvements in cost, quality and population health

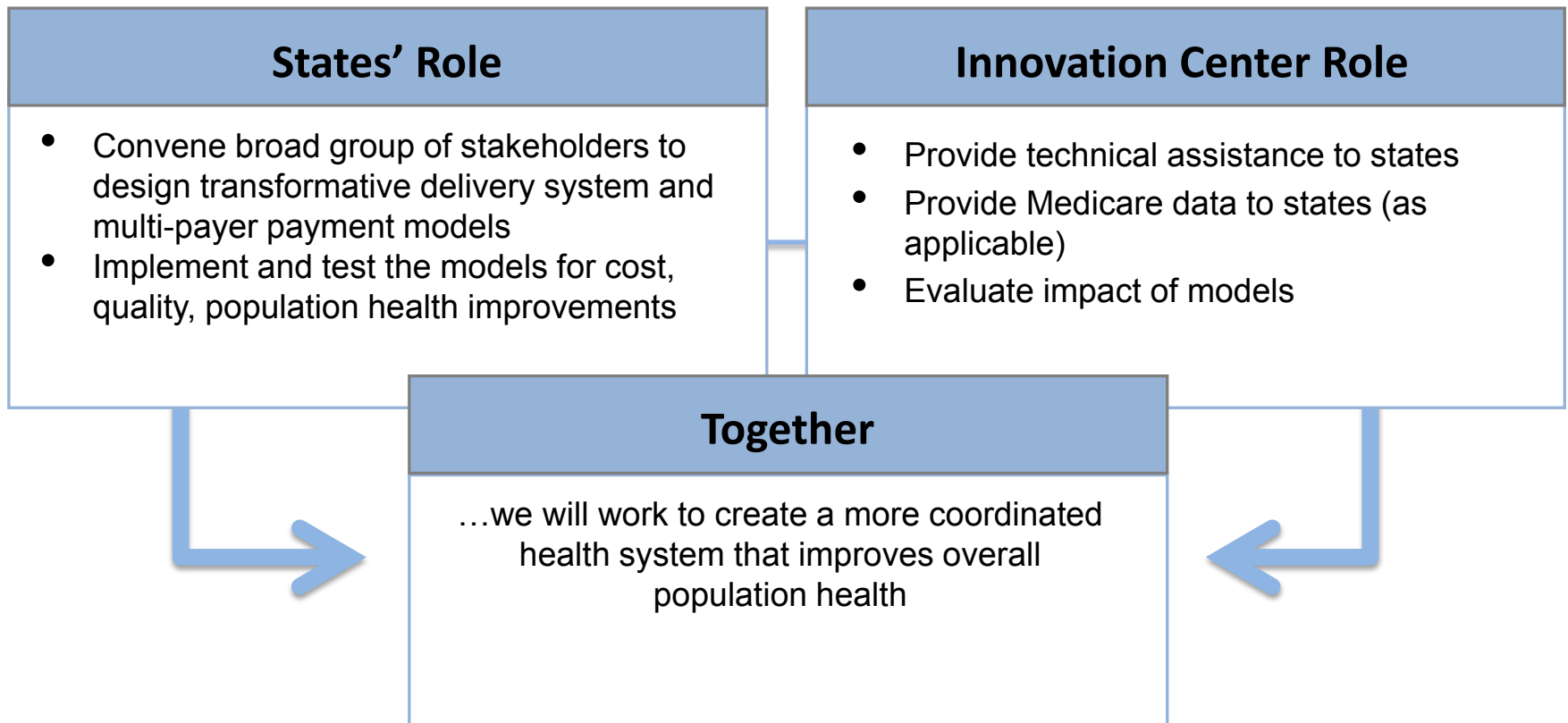
- \$1-3 million per state
- Support for up to 25 states

Model testing

- Provide financial and technical assistance to states that are ready to implement a State Health Care Innovation Plan, including testing and evaluating-multi-payer, outcomes-based payment and delivery models
- Move the preponderance of care in the state from models that reward service volume to clinical and financial models that reward better health, better care, and lower cost through improvement
- Second round of funding anticipated in spring of 2013

- \$20-60 million per state, over 3+ years
- Support for up to 5 states

CMS will partner with states to drive health system transformation



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States can use many levers to drive change

	Description	Example/Effect
New payment models	<ul style="list-style-type: none"> Change payment models that impact the way Medicaid, Medicare and other private health insurance programs pay for care 	<ul style="list-style-type: none"> Develop and scale ACOs, bundled payment programs, patient-centered medical homes
Convene payers	<ul style="list-style-type: none"> Use state leadership to bring all payers to the table 	<ul style="list-style-type: none"> Increase impact of public payment reform Move preponderance of care to value-based models
Shape health care workforce	<ul style="list-style-type: none"> Develop innovative policies around licensure and training of health care workers and programs 	<ul style="list-style-type: none"> Enhance primary care capacity, integrate community health care needs with graduate medical education other health professionals
Organize public health services	<ul style="list-style-type: none"> Coordinate public health system with delivery system 	<ul style="list-style-type: none"> Address the underlying determinants of health
Integrate behavioral health services	<ul style="list-style-type: none"> Create value-based clinical and business model 	<ul style="list-style-type: none"> ACOs or patient-centered medical homes

A reformed health system will reward those who care for the health of entire populations

Acute Health Care System

- ✓ High quality acute care
- Accountable care systems
- Shared financial risk
- Case management and preventive care systems
- Population-based quality and cost performance
- Population-based health outcomes
- Care system integration with community health resources

Coordinated Seamless Health Care System

- High quality acute care
- ✓ Accountable care systems
- ✓ Shared financial risk
- ✓ Case management and preventive care systems
- ✓ Population-based quality and cost performance
- Population-based health outcomes
- Care system integration with community health resources

Community Integrated Health Care System

- High quality acute care
- Accountable care systems
- Shared financial risk
- Case management and preventive care systems
- Population-based quality and cost performance
- ✓ Population-based health outcomes
- ✓ Care system integration with community health resources

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What do states need to do to participate?

Engage

stakeholders

Plan and design

a comprehensive approach for transforming the state health system

Create

payment and service delivery models

Integrate

clinical and behavioral care, prevention and community healthy living supports into a coordinated care model

Use policy levers

available to the state

Integrate

with HHS and other Affordable Care Act initiatives

Demonstrate

the model is successful and sustainable

Eligibility

Only Governor's Offices or the Mayor of Washington, DC can apply

One application per state for Model Design or Model Testing

All states, the District of Columbia and U.S. Territories may submit applications

Governors may designate a governmental entity to receive funds

Non-profit or other organizations are not eligible to apply

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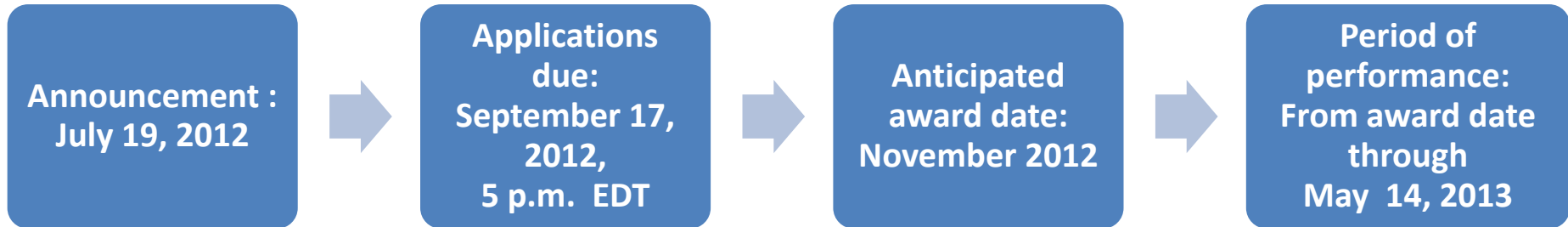
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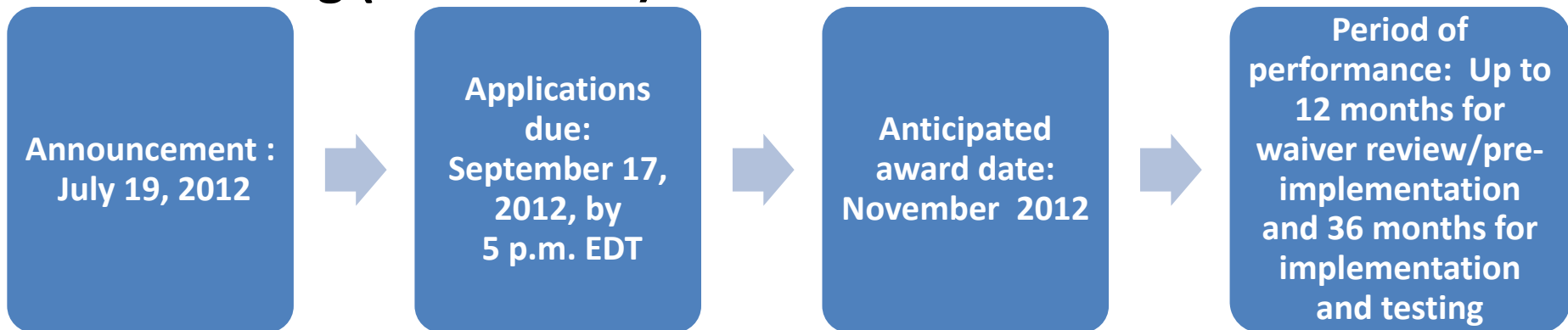
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Award Timeline

Model Design:



Model Testing (Round One):



Next Steps

- Additional webinars will be scheduled for state policy makers – these will focus on Model Design and Model Testing
- Submit questions to StateInnovations@cms.hhs.gov
- FAQs will be updated and posted to the Innovation Center website at innovation.cms.gov
- Additional information is available on our website: innovation.cms.gov/initiatives/state-innovations