

INNOVATIVE



Payment Models



Advance innovative payment structures to move our health care system to one that incentivizes value by rewarding quality and performance, lower program costs, innovation and improved health outcomes.

Through innovative payment models CMS can test new opportunities for providers to accept higher levels of risk, and also new financial arrangements that ease providers into value-based agreements. These models are designed to offer clinicians an array of new payment models that are designed to reward them for doing the job they were trained to do – spending time caring for patients.

- By focusing on results, innovative payment and service delivery model tests can be potentially expanded in duration and scope if they are cost neutral or save dollars with improved or neutral outcomes.
- CMS is testing innovative payment models focused on local delivery of health care, where patients and providers determine the best care plan, and providers are accountable for patients' outcomes.
- The CMS Center for Medicare and Medicaid Innovation (Innovation Center) consults with a variety of stakeholders and sectors to identify promising new payment and service delivery models to help in the design of new models
- Through a model, we can waive certain requirements, to give providers, clinicians, plans and states more flexibility to focus on innovation, quality, and patient needs.

Our actions have delivered results

- Realigned incentives to develop over a dozen new innovative payment models that allow reimbursement to be tied to value, rather than merely volume of services.
- We revamped the Medicare Shared Savings programs under Pathways to Success to put ACOs on a quicker path to taking on real risk. By January 2020, almost 34% of ACOs will be on the path to take on risk – well more than expected in the first year.
- CMS launched the Emergency Triage, Treat and Transport (ET3) model, which creates a new set of incentives for emergency transport and care, ensuring patients get convenient, appropriate treatment by Medicare-enrolled providers and suppliers.
- CMS launched an updated version of the Value-based Insurance Design Model and the new Part D Payment Modernization Model, which together will test opportunities for private Medicare Advantage and Part D plans to improve quality of care and outcomes.

- CMS is reforming the payment methodology for primary care services by reducing administrative burden and focusing on patient outcomes. For advanced groups, we are considering ways to allow them to take full accountability for cost and quality. Our new Primary Care First and Direct Contracting models are groundbreaking and it is estimated nearly one quarter of primary care physicians will participate in these models.
- An Executive order from the President made way for the Kidney Care Choice Model and the proposed ESRD Treatment Choices Model. These add financial incentives for providers to manage care for Medicare beneficiaries to delay the onset of dialysis and incentivize kidney transplantation.
- We awarded the first incentive bonuses to almost 90% of Qualifying APM Participant (QP) clinicians participating in Advanced Alternative Payment Models under the Medicare Access and CHIP Reauthorization Act (MACRA) and the Quality Payment Program.