



National Conference of State Legislatures: Women's Health Conference

**December 3, 2013
Washington, DC**

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Reform, Center for Health Care Strategies**

Agenda

- Overview of State Innovations Model (SIM) Initiative
- Overview of Test State Models

System and Payment Transformation

Current State

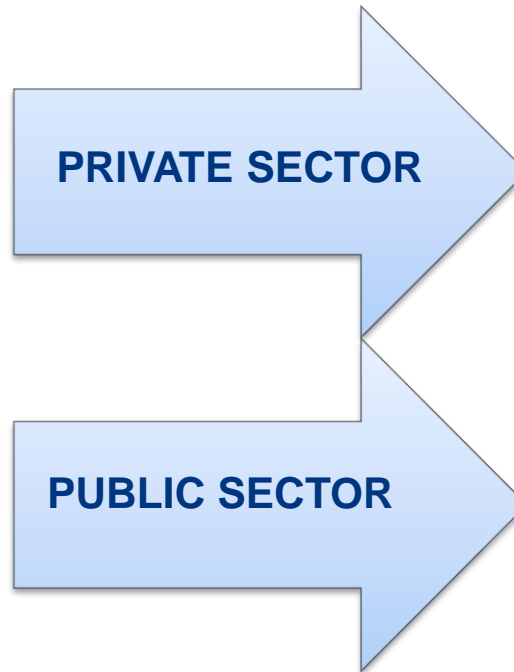
Producer-centered

Volume-driven

Unsustainable

**Fragmented Care
Systems**

**Fee For Service
Payment Systems**



Future State

People-centered

Outcomes-driven

Sustainable

**Coordinated Care
Systems**

**New Payment
Systems:**

- Value-based purchasing
- Shared savings and risk
- Episode-based payments
- Care management fees
- Data transparency

Center for Medicare and Medicaid Innovation (CMMI)

“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.”

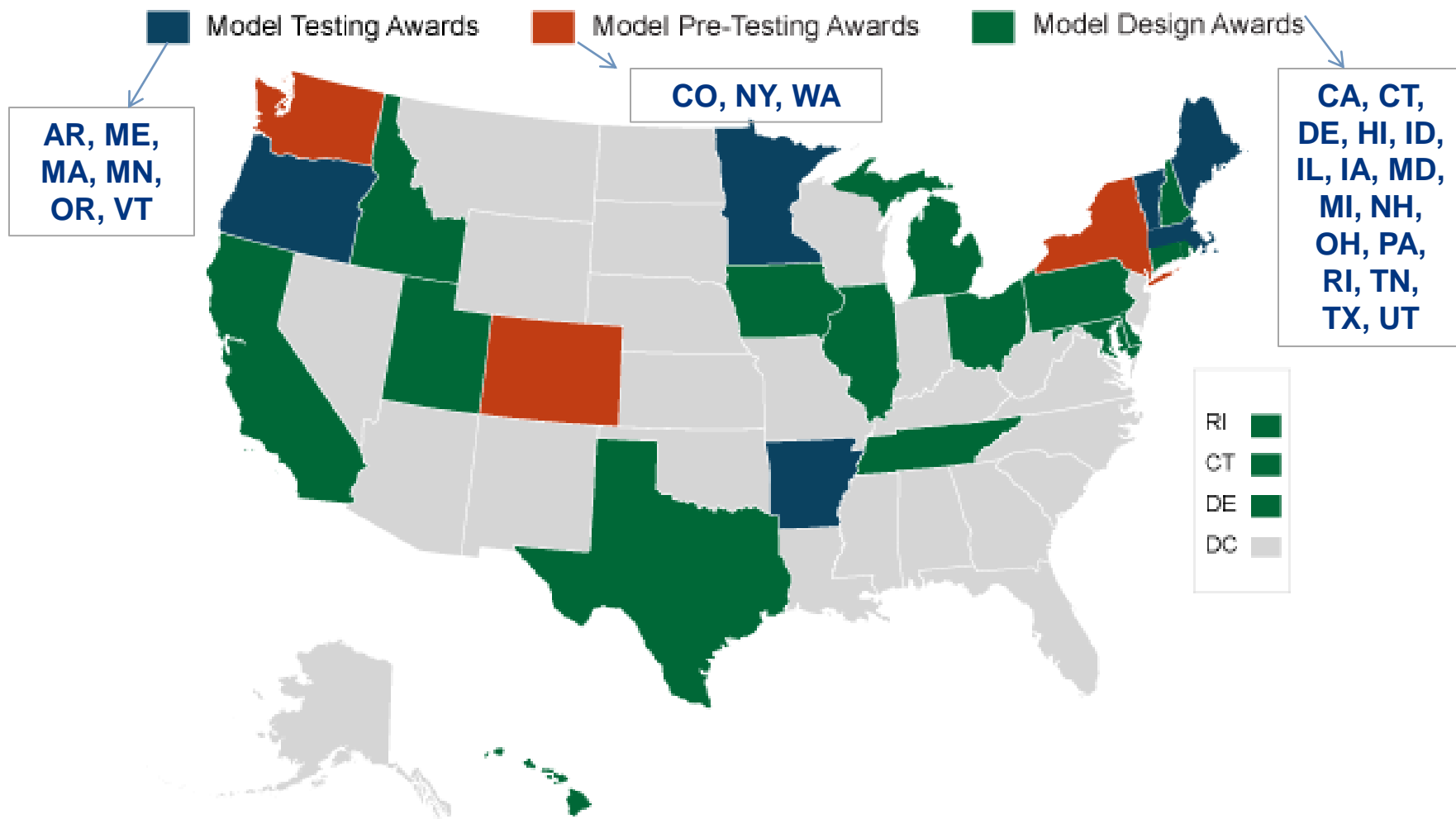
---Affordable Care Act

State Innovation Models Initiative

The purpose of the State Innovation Models Initiative is to support state governments' use of policy and regulatory levers to design and test innovative models that will transform health delivery and payment systems resulting in improved health and care at lower costs.

State Innovation Models Initiative

Types of Awards



Source: Centers for Medicare & Medicaid Services

SIM Model Testing States

- Arkansas
- Maine
- Massachusetts
- Minnesota
- Oregon
- Vermont

SIM Model Design/Pre-testing States

- California
- Colorado
- Connecticut
- Delaware
- Hawaii
- Idaho
- Illinois
- Iowa
- Maryland
- Michigan
- New Hampshire
- New York
- Ohio
- Pennsylvania
- Rhode Island
- Tennessee
- Texas
- Utah
- Washington

Expectations

- Governor-led transformation initiative
- Broad-based State Health Care Innovation Plan
- Multi-payer commitment to value based payment
- Provider engagement in health care transformation
- Plan to reach the preponderance of care
- Leverage federal resources and technical assistance
- Ability to produce quantifiable results
 - ▶ Return on Investment
 - ▶ Quality, cost and health outcomes

Elements of the State Health Care Innovation Plan

- Vision for a transformation
- Engagement of broad based stakeholders
 - ▶ Providers
 - ▶ Payers
 - ▶ Academic Medical Centers
 - ▶ Universities
 - ▶ Behavioral health
 - ▶ Public health
- Multi-payer payment strategy
- Use of state levers

State Transformation



Transform
Health
Care
Delivery



Volume Based
to
Value Based
Payment Systems



Improve Population
Health



Funding

- Each test state received between \$33 and 45 million over 3 year timeframe
- Each design state received between \$756,000 and 3 million
- States may use funding to cover a range of activities:
 - ▶ Technical resources
 - ▶ IT/data infrastructure
 - ▶ Staff/consultants
 - ▶ Evaluation
- SIM is a cooperative agreement

Evaluation

- Evaluation of model effectiveness and impact is a key program requirement
 - ▶ Impact on quality of care and population health
 - ▶ Impact on total cost of health care
- Each state must conduct an independent self-evaluation
- CMMI has contracted with the Research Triangle Institute to conduct a national evaluation of all state models

Overview of Test State Models

Common Test State Themes

- SIM is catalyzing innovation by leveraging existing investments in health care transformation
- Models broaden care delivery beyond traditional physical health care services
- Payment models shift accountability to providers for cost and quality improvements
- Investments in IT infrastructure and Technical Assistance complement financial incentives and transform how providers deliver cares
- State Plan Amendments and waivers may be necessary

Common Model Components

- Care Delivery Models:
 - ▶ Accountable Care Organizations (ACOs)
 - ▶ Patient Centered Medical Homes (PCMH) and Health Homes
 - ▶ Behavioral health, long term care, and social services integration
- Payment Reforms:
 - ▶ Shared savings and shared risk
 - ▶ Episodes of care
 - ▶ Global payments
- Infrastructure Investments:
 - ▶ Comprehensive data sharing and reporting with providers and consumers
 - ▶ Provider training, coaching, and learning collaboratives
 - ▶ Enhancing Health Information Exchange

Conclusion

- CMS Innovation Center is committed to support transformation to improve care and health as well as decrease cost.
- State Innovation Models is designed to work with state government on developing innovative approaches to achieve transformation goals.
- State legislators should reach out to their SIM leads and become engaged in the SIM process.