

GAO Highlights

Highlights of [GAO-18-302](#), a report to congressional requesters

Why GAO Did This Study

The Patient Protection and Affordable Care Act created the Innovation Center within CMS to test new approaches to health care delivery and payment—known as models—for use in Medicare, Medicaid, or CHIP. The Innovation Center became operational in November 2010. In 2012, GAO reported on the early implementation of the Innovation Center. GAO found that, during the first 16 months of operations, the Innovation Center focused on implementing 17 new models and developed preliminary plans for evaluating the effects of each model and for assessing the center's overall performance.

GAO was asked to update its previous work. In this report, GAO: (1) describes the status of payment and delivery models implemented and the resources used; (2) describes the center's use of model evaluations; and (3) examines the center's assessment of its own performance. GAO reviewed available documentation, such as model fact sheets and frequently asked questions, and evaluation reports for models that have been implemented. GAO reviewed obligation data and performance information for the time period for which complete data or information were available. GAO also interviewed officials from the Innovation Center and CMS's Office of the Actuary.

The Department of Health and Human Services provided technical comments on a draft of this report, which GAO incorporated as appropriate.

View [GAO-18-302](#). For more information, contact Kathleen M. King at (202) 512-7114 or kingk@gao.gov.

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CMS INNOVATION CENTER

Model Implementation and Center Performance

What GAO Found

As of March 1, 2018, the Center for Medicare and Medicaid Innovation (Innovation Center) had implemented 37 models that test new approaches for delivering and paying for health care with the goal of reducing spending and improving quality of care. These models varied based on several characteristics, including the program covered—Medicare, Medicaid, the Children's Health Insurance Program (CHIP), or some combination of the three—and the nature of provider participation—voluntary or mandatory. Going forward, the Innovation Center indicated that the center plans to continue focusing on the use of voluntary participation models and to develop models in new areas, including prescription drugs, Medicare Advantage, mental and behavioral health, and program integrity. Through fiscal year 2016, the Innovation Center obligated \$5.6 billion of its \$10 billion appropriation for fiscal years 2011 through 2019.

The Innovation Center has used evaluations of models (1) to inform the development of additional models, (2) to make changes to models as they are implemented, and (3) to recommend models for expansion. For example, Innovation Center officials noted that, for some instances where evaluations have shown reduced spending with maintained or improved quality of care, the center has developed new models that build upon the approaches of earlier models, but with adjustments intended to address reported limitations. In addition, the Innovation Center used evaluations to recommend two models to the Centers for Medicare & Medicaid Services (CMS) Office of the Actuary for certification for expansion. According to CMS officials, a model evaluation and a certification for expansion differ in that a model evaluation assesses the impact of a delivery and payment approach for model participants only, while a certification for expansion assesses the future impact on program spending more broadly across all beneficiaries, payers, and providers who would be affected by the expanded model. As a result, the Office of the Actuary used the results of the evaluation and other information, such as Medicare claims data and published studies, to certify the expansion of both models.

To assess the center's overall performance, the Innovation Center established performance goals and related measures and reported meeting its targets for some goals in 2015, the latest year for which data were available (see table below).

Center for Medicare and Medicaid Innovation Reported Results for 2015 Performance Goals

Performance goal	Performance targets met
Reducing the growth of health care costs while promoting better health and healthcare quality through delivery system reform	Partially met
Identifying, testing, and improving payment and delivery models	Met
Accelerating the spread of successful practices and models	Partially met

Source: Center for Medicare & Medicaid Services. | GAO-18-302

Innovation Center officials told GAO that the center also recently developed a methodology to estimate a forecasted return on investment for its model portfolio. The center is in the early stages of refining the methodology and applying it broadly across its models.