

09-20-16(R)

## SUMMARY OF PRELIMINARY DISCUSSION WITH REGIONAL CMMS OFFICE

### BACKGROUND

On September 19<sup>th</sup> members of the Planning Committee, and Commissioner Salazar met with Dr. Mark Levine, Jeff Hinson (Regional Administrator), Dustin Allison (Center for Medicare and Medicaid Innovation-based in Denver), and other representatives of CMMS' Center for Innovation in Baltimore and Washington, DC. The purpose for this meeting was to learn about the results of the CMMI's (Center for Medicare and Medicaid Innovation) recent RFI to states, as a follow-up to our last meeting with them.

### DISCUSSION

After discussion, it was agreed that we all see the same principles for this exploration of innovation. CMMS mentioned that they have two separate but coordinated groups (State Innovation efforts through SIM) and the State Innovation Model group (CPC+). These two working groups do not replicate but rather complement the efforts to seek state experimentation.

It was noted that CMMI has launched a second RFI to states regarding innovation but they were not specific as to the focus for this separate effort. This will be something we should explore further.

CMMI is willing to explore the idea of an "all payer approach" in states but their efforts require and should include:

- The State government must drive this concept;
- Intense State commitments to staffing any such effort with experienced, talented people – this is not to be an education effort;
- The details would involve "negotiations" with states over the approach to be used, etc. BUT a regional approach within a state is considered reasonable to CMMI;
- The all payer approach would not be limited to hospitals; i.e., physician and other professionals would be included-a focus on "person centered care" is of great interest to CMMS;
- A pilot approach to test effectiveness and proof of concept in an area would be considered;
- The all payer approach would not need to include all commercial payers but it would need to include Medicaid along with Medicare
- The result has to involve a savings to Medicare along with quality improvement
- Data sharing opportunities must be robust

Interested states who are moving forward with proposals include Pennsylvania, and Vermont. CMMI encouraged us to reach out to the person in Pennsylvania (Ms. Karen Murphy) for insights but noted that this will be a lengthy process (likely two years or more from an expression of initial interest to implementation). They indicated there are two approaches a state might take:

- Move forward with a global budget concept approach (ACO risk arrangements, etc.); Or,
- Start with a rural budget with a full spectrum of care that will wrap around that local budget.

They did not necessarily see that existing ACO efforts in rural Colorado would duplicate a rate setting, global budget approach for all payers. In fact, they commented that existing efforts around PCMH might create momentum to move further.

The representatives from CMMI repeated that the results in Maryland have been very positive and they are encouraged by those but recognize that each state effort will likely be somewhat different.

It is clear from these discussions that an effort will take at least two and perhaps as many as three years to develop. States must commit significant resources (time and money) to develop and model a proposal and then substantial time negotiating approval with CMMI. In addition, there are no federal dollars available for pre-negotiated work; states must have sufficient available funds to pay staff and to support creating financial models to use in discussions with the feds. Given all of this, it is important to consider what the potential gain such an effort might provide and whether the state is willing to put forth the effort.