

CMMI Initiates its New Direction with RFI on Direct Provider Contracting

May 2018

On April 23, 2018, the Centers for Medicare and Medicaid Services' Center for Medicare and Medicaid Innovation released a request for information on Direct Provider Contracting, seeking additional details on a model or models that would allow the agency to contract directly with primary care providers or multi-specialty medical groups in traditional Medicare. The RFI represents an opportunity for stakeholders to weigh in on the Innovation Center's work to develop models that control costs and improve quality.

Helpful Resources:

- The April 2018 RFI is available [here](#)
- The September 2017 RFI can be accessed [here](#)



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The Centers for Medicare and Medicaid Services' (CMS) Center for Medicare and Medicaid Innovation (Innovation Center) released a request for information (RFI) on Direct Provider Contracting, seeking additional details on a model or models that would allow the agency to contract directly with primary care providers or multi-specialty medical groups in traditional Medicare. The RFI represents an opportunity for stakeholders to weigh in on the Innovation Center's work to develop models that control costs and improve quality.



The Innovation Center: Testing Lab for New Payment and Delivery Models

The Innovation Center was created under the Affordable Care Act to test innovative payment and care delivery models that have the potential to reduce program spending while preserving or enhancing quality for Medicare, Medicaid and CHIP beneficiaries. Notably, models the Innovation Center tests can be expanded, including nationwide, if certain conditions are met. To summarize, the Innovation Center is a potentially powerful tool to reshape the future of healthcare delivery and payment by testing ideas on a smaller scale and then expanding those that succeed.

Future Direction for the Innovation Center

In September 2017, CMS Administrator Seema Verma released a broad [request for information](#) (RFI) on a new direction for the Innovation Center. The RFI sought feedback from the stakeholder community, setting out guiding principles for the Center's work and requesting feedback in specific issue areas for the development of new models. The focus areas included additional advanced alternative payment models, prescription drug models, physician specialty models and Medicare Advantage innovation models. The agency recently announced that it received over 1,000 responses to that RFI which, according to CMS, would be used to create the future direction for payment and delivery model designs.

Direct Provider Contracting: One Example of What Comes Next?

On April 23, 2018, CMS released a follow-up [RFI](#) that requests additional, detailed information on the design of a direct provider contracting model or models. The latest RFI, building on feedback received from the September request, seeks detailed and evidence-based information on designing what appears to be a next round of payment and delivery models. The new RFI discusses new models that could represent future iterations of the Comprehensive Primary Care Plus (CPC+) and Medicare ACO programs.

The models contemplated by the RFI would differ from existing CMMI models in several key elements. The first is the form of payment. The provider community has long voiced the concern that the payment models in the existing Medicare accountable care organization programs are unpredictable and delayed. CMS states in the RFI that it is considering paying a per-beneficiary per-month payment to participating practices. CMS asks for additional input from the stakeholder community as to how specifically the payment should be developed. The RFI also inquires as to how much financial risk participants should take in the new model.

Second, the RFI seeks input on the longstanding issue of beneficiary engagement in accountable care models. In the Medicare ACO program, beneficiaries are assigned to providers based on the beneficiary's utilization of certain types of services. Rather than enrolling or otherwise opting into the ACO model, in most cases, the beneficiary is passively aligned. The RFI seeks ideas on how to improve beneficiary engagement, while still retaining freedom of choice of provider. CMS

seeks input on how to design beneficiary enrollment, marketing, and cost sharing for a new model or models that seek greater involvement on the part of the beneficiary.

The RFI consists of 22 questions seeking addition input and actionable evidence to support the design of a new model for Innovation Center testing. The questions include an opportunity to provide feedback on existing ACO initiatives as well as a potential role for Medicare Advantage, Medicaid, and duals plans. Responses to the RFI are due on May 25, 2018. Strong relationships between manufacturers and the federal government are critical for success.

Conclusion

The Innovation Center has the ability to transform healthcare payment and delivery. Stakeholder feedback is critically important to shaping and refining existing and future models at the Innovation Center. The direct provider contracting RFI presents an opportunity to weigh in with the agency as to how new models should be designed. We encourage stakeholders to carefully review the RFI and consider implications for your organization.



The CMS direct provider contracting request for information and instructions for submitting a response are available [here](#).

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