THE FIELD GUIDE TO Medicare Payment Innovation

CMS is deploying an array of voluntary and mandatory payment innovation programs to accelerate the transition to accountable payment models. This field guide details the 12 highest profile programs as of November 2015. Learn how these programs disrupt the traditional fee-for-service business model.

### Percentage of Medicare Payments Tied to Alternative Payment Models

<table>
<thead>
<tr>
<th>Model</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Oncology Care Model</td>
<td>80%</td>
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<tr>
<td>Hospital-Acquired Condition Reduction Program</td>
<td>85%</td>
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<tr>
<td>Comprehensive Primary Care Initiative</td>
<td>80%</td>
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<tr>
<td>Bundled Payments for Care Improvement Program</td>
<td>50%</td>
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<tr>
<td>Merit-Based Incentive Payment System</td>
<td>25%</td>
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<tr>
<td>Merit-Based Incentive Payment System</td>
<td>15–20%</td>
</tr>
<tr>
<td>Merit-Based Incentive Payment System</td>
<td>3%</td>
</tr>
<tr>
<td>Comprehensive Care for Joint Replacement Model</td>
<td>3%</td>
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</tbody>
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### PAYMENT PROGRAM KEY

**Change Accelerator**
- Provides funding, training, and peer networking to support local delivery system innovation; ultimately seeks to identify and disseminate best practices

**Pay-for-Performance**
- Rewards or penalizes providers for performance against select quality and cost metrics; often focuses on safety, outcomes, and patient satisfaction measures

**Bundled Payment**
- Establishes a single price for a comprehensive episode of care, often spanning the care continuum; modifies the incentives of fee-for-service economics

**Total Cost of Care**
- Holds providers accountable for the overall quality and total cost of care for patient populations over time; eliminates the volume-based incentives of fee-for-service economics

### Specific Models

#### Oncology Care Model
- CMMI program seeking to improve the quality, coordination, and efficiency of care for oncology patients receiving chemotherapy across six-month episodes of care
- Multi-payer model design encourages private payers to join physician practices in the program
- Physician practices receive fee-for-service payments, monthly per-beneficiary care management fees, and shared savings payments for reducing total Medicare spending on oncology patients

#### Medicare Shared Savings Program
- Program enabling providers to form accountable care organizations (ACOs) that serve Medicare fee-for-service beneficiaries
- Establishes financial accountability for the quality and total cost of care for an attributed population of at least 5,000 Medicare beneficiaries
- Offers three tracks that feature varying levels of financial risk, bonus opportunity, and flexibility in program design

#### Pioneer ACO Model
- CMMI program offering an advanced path for providers to form ACOs that serve Medicare fee-for-service beneficiaries: 36 of the original 32 participants remain in the program
- Offers greater financial risk and reward, as well as more flexibility, than the Medicare Shared Savings Program’s Tracks 1 and 2
- First CMMI program to receive approval for expansion to the full Medicare program; features of the Pioneer ACO Model were included in the Medicare Shared Savings Program’s new Track 3

#### Comprehensive Care for Joint Replacement Model
- CMMI program creating mandatory bundled payments with up to 3% episode discount for lower extremity joint replacement procedures in 67 select markets
- Retroactive bundled payment model for hospitals accountable for episodes of care extending 90 days post-discharge; bundle includes all related Part A and Part B services
- Hospitals may enter into financial arrangements with other providers—excluding physicians and post-acute care providers—to share downside risk and/or upside rewards

### Hospital Readmissions Reduction Program
- Reimbursement penalty targeting hospitals with excessive 30 day readmission rates for select clinical conditions
- Penalty based on readmissions for six conditions: heart failure, myocardial infarction, pneumonia, chronic obstructive pulmonary disease, total hip arthroplasty, and total knee arthroplasty
- May include additional conditions in the future

See our latest on payment transformation

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