



FACT SHEET

FOR IMMEDIATE RELEASE
July 14, 2014

Contact: CMS Media Relations
(202) 690-6145 | press@cms.hhs.gov

Medicaid Innovation Accelerator Program Factsheet

The Center for Medicare & Medicaid Services (CMS) has launched a collaborative initiative called the Medicaid Innovation Accelerator Program (IAP). The goal of IAP is to improve care and improve health for Medicaid beneficiaries, and reduce costs by supporting states in accelerating new payment and service delivery reforms. The Medicaid Innovation Accelerator Program is an important new component of CMS' wide ranging efforts to support system-wide payment and delivery system reform innovation.

Medicaid's role in the health system and for vulnerable individuals underscores the importance of ensuring it is a strong partner in delivery system reform. A joint state federal program, Medicaid is projected to cover about 65 million people in 2014 and has a particularly strong role to play in helping to advance improvements for certain populations and in key segments of our health care system. The IAP will focus on populations with significant needs served by Medicaid programs: pregnant women and newborns, children, individuals with mental illness, individuals receiving long-term services and supports, and others.

The opportunities for further improvements are great:

- Costs are concentrated among those with the most significant health care needs. One percent of Medicaid beneficiaries make up about a quarter of all costs; 5% of beneficiaries make up more than half of costs (54%).¹
- Medicaid beneficiaries with disabilities, who as a group are the highest cost enrollees in the program, have a high prevalence of comorbid chronic conditions (18%), and among

¹ Mann C. Medicaid and CHIP: On the Road to Reform. Presentation to the Alliance for Health Reform/Kaiser Family Foundation. March 2011. Based on FY 2008 MSIS claims data.
<http://www.allhealth.org/BriefingMaterials/CindyMannforonline-1746.ppt>

beneficiaries eligible for both Medicare and Medicaid, that rate is doubled (39%).² Better management of chronic conditions can improve the quality of life for these beneficiaries and reduce costs by keeping people healthier.

Innovation is already underway in Medicaid (see information on our *Medicaid Moving Forward* work available on Medicaid.gov at <http://www.medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/medicaid-moving-forward-2014.html>; to access the 2013 Medicaid Moving Forward report directly, see <http://www.medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/Downloads/MMF-2013.pdf>). For example, 15 states have initiated comprehensive health homes for people with chronic illnesses, several states have developed shared savings payment models, 13 states are testing new delivery and payment models for people who are dually eligible for Medicaid and Medicare, and quality measurement relying on the new child and adult quality measures is expanding across the country. And although Medicaid spending overall has grown as more people have gained coverage, per enrollee spending *declined* by 1.2% in 2012, from \$6,768 to \$6,641 in 2012.³

Medicaid delivery system reform holds great promise to improve health care for millions of Americans while helping to control health care spending for states and the federal government. Recognizing this promise, CMS is making new investments to partner with states to accelerate innovation.

What is the Medicaid Innovation Accelerator Program?

The Medicaid Innovation Accelerator Program is a new collaboration from the Center for Medicaid and CHIP Services (CMCS) and the Center for Medicare and Medicaid Innovation working closely with the Medicare-Medicaid Coordination Office, the Center for Medicare and other federal centers and agencies. It aims to jumpstart innovation in key areas while supporting states in their efforts to improve health, improve health care, and lower costs. In consultation with states and stakeholders, the IAP will develop strategically targeted functions aimed at advancing delivery system and associated payment reforms, aligned with transformation efforts underway in Medicare and the commercial market.

The Innovation Accelerator Program and its focus areas were developed with input from states, including the National Governor's Health Care Sustainability Task Force⁴, and surveys of states participating in the State Innovation Models initiative. Ongoing consultation and collaboration

² <http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/2008NationalSummary.pdf>

³ <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Financing-and-Reimbursement/Downloads/medicaid-actuarial-report-2013.pdf>

⁴ <http://www.nga.org/files/live/sites/NGA/files/pdf/2014/1402HCSTFReport.pdf>

with states as well as consumer groups, health plans, and health care providers will be built into the Innovation Accelerator Program as it moves forward.

The IAP will develop resources to support innovation through 4 key functions:

1. Identify and advance new models of care delivery and payment: The IAP will investigate, develop, and disseminate information and tools (such as financial modeling to design payment strategies that strengthen incentives to achieve higher value) to help implement promising models of care targeting the needs of Medicaid beneficiaries. IAP will select target activities based on three criteria. First, the IAP will target areas of critical need, as defined by high spending, high disease burden, and/or high disparities for the Medicaid population. Second, it will target interventions with evidence of promising interventions which have, on a small scale, improved care and/or reduced costs, either for other payors or in Medicaid. Third, the IAP will place a high priority on complementing and supporting ongoing related work at the state and federal level in order to maximize efficiency and impact of our work.
2. Data analytics: Ensuring real-time data-based approaches is core to successful and sustained delivery reforms. The IAP will help states leverage new emerging data sources such as T-MSIS and performance indicators, along other data sources, to promote targets for intervention, identify best practices and maximize efficiencies.
3. Improved quality measurement: The IAP will support alignment and integration of quality measurement across health care programs and initiatives to provide a more accurate and valid picture of quality to support and drive innovation within Medicaid and across payers.
4. State to state learning, rapid-cycle improvement, and federal evaluation: The IAP will advance effective, efficient, and timely dissemination of best practices in driving delivery system innovation, including vigorous support of rapid cycle improvement efforts by states and other partners. CMS is also committed to providing better coordinated communication with states on cross-cutting issues and ensuring that the IAP work is coordinated with related activities, including the State Innovation Models initiative and the Medicare-Medicaid financial alignment models. By improving alignment across our communication channels with states, CMS can maximize the impact of the variety of initiatives underway and enhance state to state learning.

For more information about the IAP, see <http://www.medicaid.gov/State-Resource-Center/Innovation-Accelerator-Program/innovation-accelerator-program.html> and to get involved in helping to shape the Medicaid Innovation Accelerator Program or learn more about the initiative, contact MedicaidIAP@cms.hhs.gov.

###