

New mission likely for Obamacare Innovation Center

By **DAVID PITTMAN** and **ADAM CANCRYN** | 06/15/2018 02:00 PM EDT

The White House is putting the heat on a small HHS center that it believes has big potential to shake up major parts of the U.S. health care system — but has yet to make a major splash in the Trump era.

A top Trump administration budget official recently offered a scathing review of the CMS Innovation Center's work, saying "underwhelming" results from its \$10 billion experiment with health care payment models prompted the administration's recent request to claw back \$800 million from the office.

"We're not just blindly allowing money to flow out the door without questioning it," OMB health care head Joe Grogan told POLITICO last week.

Administration officials are eager to put their stamp on the Innovation Center, or CMMI, which has largely been on autopilot since President Donald Trump took office.

The CMS innovation arm has broad latitude to test ideas without permission from Congress, making it a key tool for HHS to implement new policies aimed at lowering drug prices or changing how care is funded and delivered.

Comments from Grogan suggest a mission for the office that would aim for faster results and focus less on "value-based care" models that the administration has criticized for wasting too much money without improving quality.

Adam Boehler, the new CMMI head, has said the proposed cut to CMMI — approved by the House last week as part of the administration's \$15 billion rescissions bill, H.R. 3 (115) — won't hurt the center, which is set to receive another \$10 billion in October. The Senate is unlikely to approve the spending cuts.

While CMMI under the Obama administration experimented with nearly three dozen models, the Trump administration has yet to lay out a strategy for how it wants to use the office.

A regulation outlining changes in rules for Medicare accountable care organizations, expected to be published this summer, may suggest the Trump administration's next moves. CMS has indicated it will next work on a "Direct Provider Contracting" model, a way to allow providers to be held individually accountable for their patients. But the concept has been criticized for its lack of detail.

Grogan criticized past attempts to tie health care payments closer to quality and efficiency. He accused ACOs and Medicare's quality payment programs for doctors of becoming what they were supposed to eliminate: "a big, sprawling, complicated series of byzantine programs that few people understand, which at the end of the day sucks more value out of the system than it delivers." Instead, he said, health care needs to focus on simplicity.

Others argue that the Trump administration's emphasis on reducing spending ignores Obama-era gains, like reduced hospitalizations or readmissions.

"It's important to remember that CMMI has the twin goals of improving quality and reducing costs," said David Muhlestein, who studies ACO performance for Leavitt Partners. "Not all of the payment models that have been tested have been successful at both goals, but there are examples."

CMMI isn't a business and shouldn't be held to that standard, said Aric Sharp, vice president of accountable care at UnityPoint Health.

"It's an incubator," Sharp said. "The whole model is to learn."

Despite critical comments from the Trump administration, the center's \$10 billion funding stream does not appear to be in jeopardy. But the White House's proposed spending cut was designed to send a message, a person briefed on the rescission decision said — that CMMI has so far squandered its potential.

The office's longtime leadership vacuum in the Trump administration left its staff of around 370, mainly Obama administration career employees, with hazy direction and flagging morale. The office's most notable accomplishment under Trump has been the unwinding of Obama-era demonstrations that Republicans argued were an overreach of CMMI's authority.

The Innovation Center had been without a director following the departure of top career deputy Patrick Conway last fall. Boehler took office in April after selling the health care startup he built.

Grogan and top HHS officials have expressed confidence in Boehler, reducing some pressure on the office. People close to Boehler also said he has strong backing from Trump senior adviser and son-in-law Jared Kushner, who roomed with him for a summer during college.

"If somebody like Adam Boehler is not successful at CMMI, nobody can be," Grogan said.

Boehler still hasn't made clear which initiatives he will pursue. But sources familiar with the policy planning said CMMI is focusing on proposals aimed largely at giving patients new options for customizing their care — a contrast to the office's focus on changing providers' behavior during the Obama administration.

CMMI is also likely to demand results on a much tighter timeline and solicit more ideas from the private sector.

An HHS spokeswoman said it's natural for some CMMI models to be successful and others not, given the experimental nature of its work. She said CMMI is developing new initiatives that HHS leaders believe will have “a significant impact on patient affordability, quality, choice and value.”

In mid-May, Boehler, CMMI Chief Medical Officer Anand Shah and other health officials met with the leaders of PTAC — a private-sector advisory committee established by Congress in 2015 — to encourage closer collaboration on provider payment models.

The administration's support for Boehler suggests to Aneesh Chopra, a health adviser in the Obama administration, that CMMI will continue with a change in mission.

“They may be more development than research, things that are funded to deliver results right away,” Chopra said.

[Terms of Service](#)

[Privacy Policy](#)

[About Us](#)

[Corrections](#)

[Support](#)