CMMI SHIFTS FOCUS TO LOWERING MEDICARE BENEFICIARY COSTS

The Center for Medicare and Medicaid Innovation (CMMI) is shifting to pilots that lower Medicare beneficiary costs directly, instead of focusing solely on lowering government spending, and CMMI Director Liz Fowler said that lowering Medicare beneficiaries’ drug costs is a prime example. “When we’re talking about affordability, we also want to consider patients and think about models, for example, like drug spending,” Fowler said during a recent event.

The innovation center tests Medicare payment policies by running demonstrations, but the Biden administration has been hesitant to create demos on drugs when Congress is considering changes to Medicare Part D and Part B that could upend those demonstrations.

Fowler said she initiated the strategy refresh because too few demonstrations from the past decade were successful and because beneficiary focus groups made it clear that the public didn’t understand the benefits from those earlier demonstrations. Six models generated statistically significant savings to taxpayers and Medicare, and only four models met the standard to be expanded in duration and scope, she said.

Fowler said coordinating care and holding down overall costs to the health care system continues to be important, but those initiatives don’t resonate with many people. “You also have to think about cost from the perspective of people, and that’s where the affordability objective comes in,” Fowler said. “We want our models to have an impact on people’s pockets, their pocketbooks, as well as the government’s.”