Exploring features of Medicare’s alternative payment models

ISSUE: CMS concurrently operates many alternative payment models (APMs), including the permanent Medicare Shared Savings Program and a number of temporary APMs developed by CMS’s Center for Medicare and Medicaid Innovation (CMMI). Since the landscape of multiple overlapping APMs may be diluting the strength of models’ incentives, in June 2021 the Commission recommended that CMS implement a smaller, more harmonized portfolio of APMs that are designed to work together. One way that models could work together is through greater harmonization and consistency among model features.

KEY POINTS: Staff will describe approaches used in key Medicare APMs to set spending benchmarks; risk adjust those benchmarks; share financial risk with providers; and incentivize or mandate provider participation. Greater harmonization of some of these features may be beneficial.

ACTION: Commissioners will provide feedback on policy approaches.