

The evolution of Medicare’s advanced alternative payment models

ISSUE: The Center for Medicare and Medicaid Innovation (CMMI) has tested dozens of payment models over the past decade, but the majority have failed to generate net savings for Medicare, and the most successful models have produced only modest savings (although quality is typically maintained, and sometimes even improved). This track record raises the question of whether changes to particular models or CMMI’s broader strategies might be warranted.

KEY POINTS: To help commissioners consider this question, this paper describes key features of Medicare’s advanced alternative payment models, notes how models have changed over time, and identifies possible improvements that could be made.

ACTION: Commissioners will discuss the issues raised in the material and provide guidance on potential policy directions.