

## CMS/CMMI Payment Models in 2019

Date Announced	Model Name	Description	Mandatory or Voluntary	Performance Year	Additional Resources
Jan. 18, 2019	Part D Payment Modernization Model	A 5-year model that is intended to create new incentives for plans, patients, and providers to choose drugs with lower list prices to address rising costs in Part D. CMS will encourage plans to take additional risk for spending in the catastrophic phase of Part D. CMS will establish a spending target for participating plans and plans will share in savings/losses in comparison to that target.	<b>Voluntary</b>	2020	<ul style="list-style-type: none"> <li>+ Part D Payment Modernization <a href="#">Webpage</a></li> <li>+ Part D Payment Modernization <a href="#">Fact Sheet</a></li> </ul>
Jan. 18, 2019	Medicare Advantage Value-Based Insurance Design Model (MA VBID)	<p>VBID allows health insurers to structure enrollee cost sharing and plan benefit design to encourage the use of high value health care services. In 2017, CMS began testing VBID in Medicare Advantage in seven states.</p> <p>In January 2019, CMS announced that, consistent with the Bipartisan Budget Act of 2018, it will expand the VBID model to all 50 states. In addition, plans will be able to test new interventions, including targeting the social determinants of health, Part D rewards programs, increasing access to telehealth networks, and coordinated approaches to wellness and advance care planning.</p> <p>Beginning in 2021, VBID models will also test inclusion of the Medicare hospice benefit in MA.</p>	<b>Voluntary</b>	2020 and 2021 <i>(Note: this model ran in 2017, 2018 and 2019).</i>	<ul style="list-style-type: none"> <li>+ MA VBID <a href="#">model webpage</a></li> <li>+ MA VBID <a href="#">Fact Sheet</a></li> </ul>
Dec. 21, 2018	Medicare Shared Savings Program (MSSP) Final Rule	The final rule transitions the four existing MSSP tracks 1, 1+, 2 and 3, into two new options: BASIC and ENHANCED. CMS shortens the amount of time an ACO can remain in an upside-only arrangement from six years under the old program to two years (with some exceptions). After that time, MSSP ACO participants will have to move to downside risk (i.e., repaying losses if they overspend their benchmarks).	<b>Voluntary</b>	Begins July 2019	<ul style="list-style-type: none"> <li>+ MSSP <a href="#">Final Rule</a></li> <li>+ MSSP <a href="#">Fact Sheet</a></li> <li>+ McDermott's <a href="#">+Insight</a></li> </ul>
Oct. 25, 2018	International Price Index (IPI)	A model that seeks to align Medicare payments for physician-administered drugs to prices in other countries. IPI would create a system in which private vendors procure drugs, distribute the drugs to doctors and hospitals, and assume responsibility for Medicare billing. Vendors would aggregate purchasing and compete for providers' business, with the intent of generating additional competition. Instead of the current ASP+6 formula, physicians and hospitals would receive a set payment amount that is not tied to drug prices.	<b>Mandatory</b>	Begins Spring 2020	<ul style="list-style-type: none"> <li>+ Advanced Notice of Proposed Rulemaking</li> <li>+ IPI <a href="#">Fact Sheet</a></li> <li>+ HHS's IPI <a href="#">Overview</a></li> <li>+ McDermott's <a href="#">+Insight</a></li> <li>+ McDermott Webinar</li> </ul>

For more information visit the [McDermottPlus Payment Innovation Resource Center](#) or contact Sheila Madhani at 202-204-1459/[smadhani@mcdermottplus.com](mailto:smadhani@mcdermottplus.com), Mara McDermott at [202-204-1462](tel:202-204-1462)/[mmcdermott@mcdermottplus.com](mailto:mmcdermott@mcdermottplus.com) or John Warren at 202-204-1451/[jwarren@mcdermottplus.com](mailto:jwarren@mcdermottplus.com).

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