JODEY C. ARRINGTON, TEXAS
CHAIRMAN

BRENDAN F. BOYLE, PENNSYLVANIA
RANKING MEMBER

U.S. House of Representatives
COMMITTEE ON THE BUDGET
Washington, DC 20515–6065

April 25, 2024

The Honorable Gene L. Dodaro
Comptroller General
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Mr. Dodaro:

Increases in federal spending on health care in the United States—including Medicare and Medicaid—continue to exert significant pressure on the federal budget. At the same time, studies have found that higher levels of spending do not reliably lead to enhanced quality of care.

The Patient Protection and Affordable Care Act (PPACA) established the Center for Medicare and Medicaid Innovation (CMMI) within the Centers for Medicare and Medicaid Services (CMS) under section 1115A of the Social Security Act to test new approaches to health care delivery that could curb spending while providing better care.[1]

In establishing CMMI, the law provided CMS with additional authority when testing new health care delivery and payment approaches, known as models. In addition, the law provided a permanent mandatory appropriation stream for testing models—$10 billion for the CMMI's activities for the period of fiscal years 2011 through 2019 and $10 billion every decade beginning in fiscal year 2020.

In 2010, the nonpartisan Congressional Budget Office (CBO) estimated CMMI would result in net savings of $1.3 billion over the ten-year budget window.[2] A September 2023 report from CBO revised the agency's prior analysis, estimating CMMI's activities increased direct spending by $5.4 billion in Medicare, between 2011 and 2020.[3] In addition, CBO now currently projects that CMMI's activities will increase net federal spending by $1.3 billion in Medicare, over the center's second decade, which extends from 2021 to 2030.

We appreciate that the U.S. Government Accountability Office (GAO) has previously reported on CMMI activities in November 2012 and the agency's performance and use of its resources in

[1]The Innovation Center was established by section 1115A of the Social Security Act, as added by section 3021 of PPACA (42 U.S.C. § 1315a)
[2] "Estimate for H.R. 4872, the Reconciliation Act of 2010" Congressional Budget Office (March 2010)
[3] "Federal Budgetary Effects of the Activities of the Center for Medicare & Medicaid Innovation" Congressional Budget Office (September 2023)

March 2018.[4] Accordingly, we would like GAO to update its earlier work, including CMMI's use of dedicated funding and assessment of its performance.

Specifically, we request that GAO examine:

1. How CMMI has used dedicated funding to develop models and carry out other agency functions;

2. How much of CMMI's first $10 billion mandatory appropriation did CMMI use prior to receiving its second $10 billion in funding in Fiscal Year 2020;

3. The status of CMMI's testing of models, including models that have saved money or increased spending per the Administration;

4. How CMMI determines what types of providers to include in models, focusing on the discrepancy between the number of models focused on primary care physicians compared to specialists, and what frequency different providers, such as independent providers compared to large academic hospital systems, participate in models;

5. CMMI's internal assessment of its performance goals to "develop and test health care payment and service delivery models to improve patient care, lower costs, and align payment systems to promote patient-centered practices";

6. How many recommendations the Physician-Focused Payment Model Technical Advisory Committee (PTAC) has made and how has CMMI utilized such recommendations;

7. What process does CMMI use to forecast the potential budgetary effects of a proposed demonstration model prior to the model being approved and implemented;

8. What is known about the effect of the January 2021 updated Stark and Anti-Kickback regulations on participation in value-based care models;

9. The percentage of providers that remain participants in a model until the end, at what point do providers drop out and what are the reasons for that, including CMMI changing the model parameters for participants after the launch of the model, such as Retroactive Trend Adjustments; and,

10. To what extent does CMMI collect information from beneficiaries or providers about awareness and satisfaction with models.

[4] "CMS Innovation Center: Early Implementation Efforts Suggest Need for Additional Actions to Help Ensure Coordination with Other CMS Offices" GAO-13-12 (November 2012) and "CMS Innovation Center: Model Implementation and Center Performance" GAO-18-302 (March 2018)

We appreciate your attention and response to this important matter. If you have questions, please contact Braden Murphy (braden.murphy@mail.house.gov) or Charlie Chapman (charles.chapman@mail.house.gov) with the House Budget Committee.

Sincerely,

Jodey Arrington
Chairman
House Budget Committee

Michael C. Burgess M.D.
Health Care Task Force Chair
House Budget Committee