

## **Centers for Medicare and Medicaid Services (CMS)**

*Transform and modernize the health care system through efficient public programs*

**Organization Description:** CMS is the federal agency responsible for administering Medicare, Medicaid and the State Children's Health Insurance Program (SCHIP), serving 90 million beneficiaries. CMS operates under the U.S. Department of Health & Human Services and has a budget of approximately \$650 billion.

**Proposal Summary:** CMS aims to use its resources and influence in the health care marketplace in a way that both improves health care quality and lowers costs. CMS's Strategic Action Plan outlines ways in which the agency can use its significant influence in the health care marketplace to effect change in order to achieve their vision of a transformed and modernized health care system. The following CMS reform proposals are included in the agency's Strategic Action Plan:

- **Coverage:** Develop new Medicare Advantage plans, such as dual eligible and chronic care special needs plans. Work with private sector health plans and prescription drug plans to improve Medicare beneficiary choices and awareness of Medicare managed care products and prescription drug coverage.
- **Wellness and Prevention:** Develop strategies for emergency preparedness and pandemic planning. Expand Medicare preventive screenings. Reduce disparities in effective preventive services by measuring current national trends and statistics.
- **Care Coordination:** Support prescription drug plan sponsors' efforts to improve care coordination.
- **Health Information Technology (IT):** Implement a Health Care Integrated General Ledger System and a National Provider Identifier. Increase electronic claims processing using upgraded IT systems. Support the establishment of a centralized, integrated data repository.
- **Quality:** Improve transparency and create incentives for consumers and providers to make cost-effective choices in order to improve the long-range sustainability of CMS programs. Support SMART health care (Science-driven opportunity for Management of personal health through Affordable, Reliable, and Targeted care), which includes transparency based on immediate, accurate and comparative quality and cost information. Create new Medicare Advantage plan designs and innovative prescription plan approaches. Expand disease management programs. Implement value-based payment, such as pay-for-performance. Support efforts to protect the security and privacy of health care data. Expand quality and cost measurement in Medicare fee-for-service systems.

Develop grassroots networks for Medicare and Medicaid, establishing ties with quality alliances and local communities to support quality health care. Collaborate with large insurers, both in the public and private sectors, to share ideas to improve the quality and delivery of health care and health care information.

- **Cost:** Support provider education and outreach programs to prevent overpayments and improper payments.

**Proposal Date:** 2006

Source: *Achieving a Transformed and Modernized Health Care System for the 21<sup>st</sup> Century: CMS Action Plan 2006 – 2009*, [http://www.cms.hhs.gov/MissionVisionGoals/Downloads/CMSStrategicActionPlan06-09\\_061023a.pdf](http://www.cms.hhs.gov/MissionVisionGoals/Downloads/CMSStrategicActionPlan06-09_061023a.pdf).