

Publications

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Trump Administration Announces Changes to CMS Innovation Models

On March 12, 2025, the Centers for Medicare and Medicaid Services (CMS) Innovation Center (Center) announced it would make changes to its model portfolio to align with its statutory mandate and strategic goals of reducing program spending and maintaining or improving quality of care.

The Center develops and implements payment and service delivery models and conducts Congressionally mandated demonstrations to support health care transformation and increase access to high-quality care. The models reward health care providers for delivering high-quality and cost-efficient care. The models last for a set period and apply to a specific health condition, care episode, provider type, community or innovation within Medicare Advantage or Medicare Part D.

Value based care has been largely a bipartisan issue, however, each administration typically puts its mark on the Center's implementation of existing innovation models. This announcement reflects the Trump Administration's evaluation of current Center models and their determinations as to which models to end early, modify or potentially delay implementation of.

Models CMS Will End Early

CMS announced the following models will end early, by December 31, 2025:

1. Maryland Total Cost of Care (MTCC) Model;
2. Primary Care First (PCF) Model Options;
3. ESRD Treatment Choices (ETC) Model; and
4. Making Care Primary (MCP) Model.

*MTCC Model*¹

Expanding upon the Maryland All-Payer Model,² the MTCC Model established pricing of medical services provided by hospitals, primary care doctors and specialists across all payers, becoming the first CMS model to hold a state fully accountable for risk for the total cost of care for Medicare beneficiaries. With approximately 550 participants, the MTCC

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Model specifically includes three programs that offer hospitals and non-hospital providers incentive-based payments specific for redesign activities aimed at improving quality of care and per beneficiary per month payments to cover care management services.

The original performance period for the MTCC Model was set to end on December 31, 2026.

PCF Model Options ³

The PCF Model Options is based on the principles underlying the existing Comprehensive Primary Care Plus (CPC+) model design: prioritizing the clinician-patient relationship; enhancing care for patients with complex chronic needs and focusing financial incentives on improved health outcomes. With approximately 2,100 practices across 26 regions, the PCF Model Options provides model payments to practices through a simple payment structure (e.g., flat payment, population-based payment and performance-based adjustment with a maximum 50% upside and 10% downside) and provides practice participants with performance transparency, through identifiable information. The original performance period for the PCF Model Options was to end December 31, 2026.

ETC Model ⁴

The ETC Model is a model that is mandatory for approximately 30% of ESRD facilities and certain clinicians. This model provides additional payment adjustments to providers who treat dual eligible patients, as well as Medicare beneficiaries who are eligible to receive assistance with prescription drug costs through the Part D program (Low-Income Subsidy).

The original performance period was set to end on December 31, 2027. CMS indicated it will terminate the ETC Model through rulemaking.

MCP Model ⁵

The MCP Model builds upon previous primary care models, such as the Comprehensive Primary Care (CPC), CPC+ and PCF Models, as well as the Maryland Primary Care Program. The MCP Model provides a pathway for primary care clinicians to gradually adopt prospective, population-based payments, while also building infrastructure to increase access to care, improve behavioral health and specialty integration and coordination.

With approximately 890 participants in eight states, the MCP Model offered three progressive tracks, where participants received either FFS payments, a 50/50 split of prospective, population-based payments and FFS payments, or only prospective, population-based payments depending on the stage of implementation efforts.

The original performance period for the PCF Model Options was set to end December 31, 2034.

Models CMS is Considering Changing

The Center also indicated it was considering options to reduce the size of the Integrated Care for Kids (InCK) Model⁶ awards or make other changes to the Model. The InCK Model is a child-centered local service delivery and state payment model that includes children under the age of 21 years and pregnant woman over age 21 covered by Medicaid and in some states, children covered by Children's Health Insurance Program (CHIP). The Model was awarded to the state of Connecticut, North Carolina, New Jersey, New York, Ohio and the Egyptian Health Department and Lurie Children's in Illinois. The InCK Model works

with state and local health service providers to focus on early intervention and treatment for children at greatest risk for physical and behavioral health issues, including children with mental health and substance abuse challenges.

Models CMS Will No Longer Implement

The Center announced that it will no longer pursue the previously announced (but not yet implemented) Medicare \$2 Drug List⁷ and Accelerating Clinical Evidence⁸ Models. The Models were originally developed to implement Executive Order 14087 – “Lowering Prescription Drug Costs for Americans,” a Biden Executive Order that was rescinded on January 20, 2025.

What to Expect Next

Impacted model participants will receive follow-up communication regarding timelines, technical assistance and other information regarding the wind-down and close-out. Additionally, the Center will support participants by advising those in state-specific total cost of care and primary care models of other regulatory options for advanced primary care payment.

For the time being, model participants should watch for additional guidance and updates from CMS and the Center regarding their participation or modifications to existing models. Providers participating in other Center models should continue to be on the lookout for further guidance, as well as potential alterations to Center models not identified in this initial announcement. If you have any questions about how these changes may impact you or your organization, please contact Neal D. Shah, Ryan B. Thurber, Ronke Fabayo, Hiba Al-Ramahi, Polsinelli’s Executive Action Working Group or your regular Polsinelli attorney.

[1] Maryland Total Cost of Care Model, Centers for Medicare & Medicaid Services, *available at* <https://www.cms.gov/priorities/innovation/innovation-models/md-tccm>.

[2] Established global budgets for certain Maryland hospitals to reduce Medicare hospital expenditures and improve quality of care for beneficiaries.

[3] Primary Care First Model Options, Centers for Medicare & Medicaid Services, *available at* <https://www.cms.gov/priorities/innovation/innovation-models/primary-care-first-model-options>.

[4] ESRD Treatment Choices (ETC) Model, Centers for Medicare & Medicaid Services, *available at* <https://www.cms.gov/priorities/innovation/innovation-models/esrd-treatment-choices-model>.

[5] Making Care Primary (MCP) Model, Centers for Medicare & Medicaid Services, *available at* <https://www.cms.gov/priorities/innovation/innovation-models/making-care-primary>.

[6] Integrated Care for Kids Model; Centers for Medicare & Medicaid Services, *available at* <https://www.cms.gov/priorities/innovation/innovation-models/integrated-care-for-kids-model>.

[7] Medicare Two Dollar Drug List Model; Centers for Medicare & Medicaid Services, *available at* <https://www.cms.gov/priorities/innovation/innovation-models/medicare-two-dollar-drug-list-model>.

[8] Newsroom: CMS Innovation Center's One-Year Update on the Executive Order to Lower Prescription Drug Costs for Americans; *available at* <https://www.cms.gov/blog/cms-innovation-centers-one-year-update-executive-order-lower-prescription-drug-costs-americans>.