





# The State Innovation Models Initiative: Using Clinical Nuance to Align Payer and Consumer Incentives

## Who, What and Where?

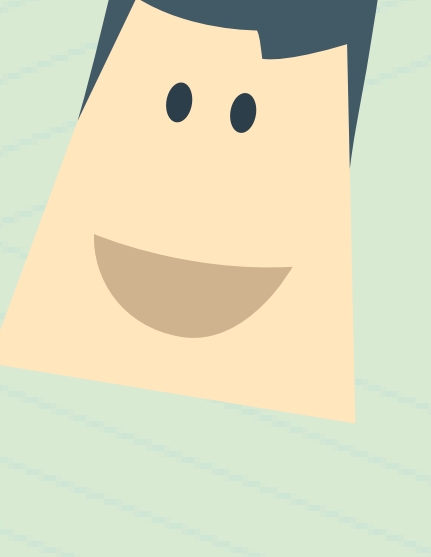

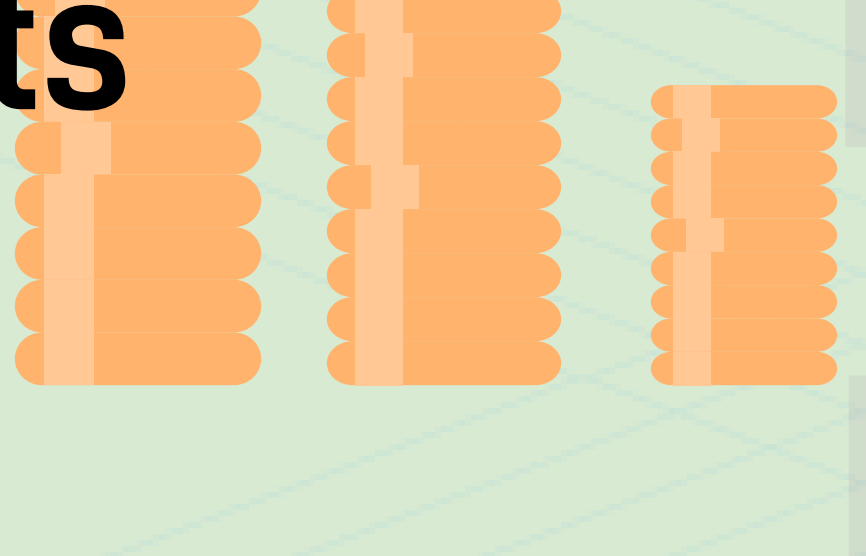
Established by the Center for Medicare and Medicaid Innovation (CMMI), the State Innovation Models (SIM) Initiative is providing financial and technical support to states in developing and testing payment and service delivery models.

### CMMI awards states for Innovation in models

#### Using...

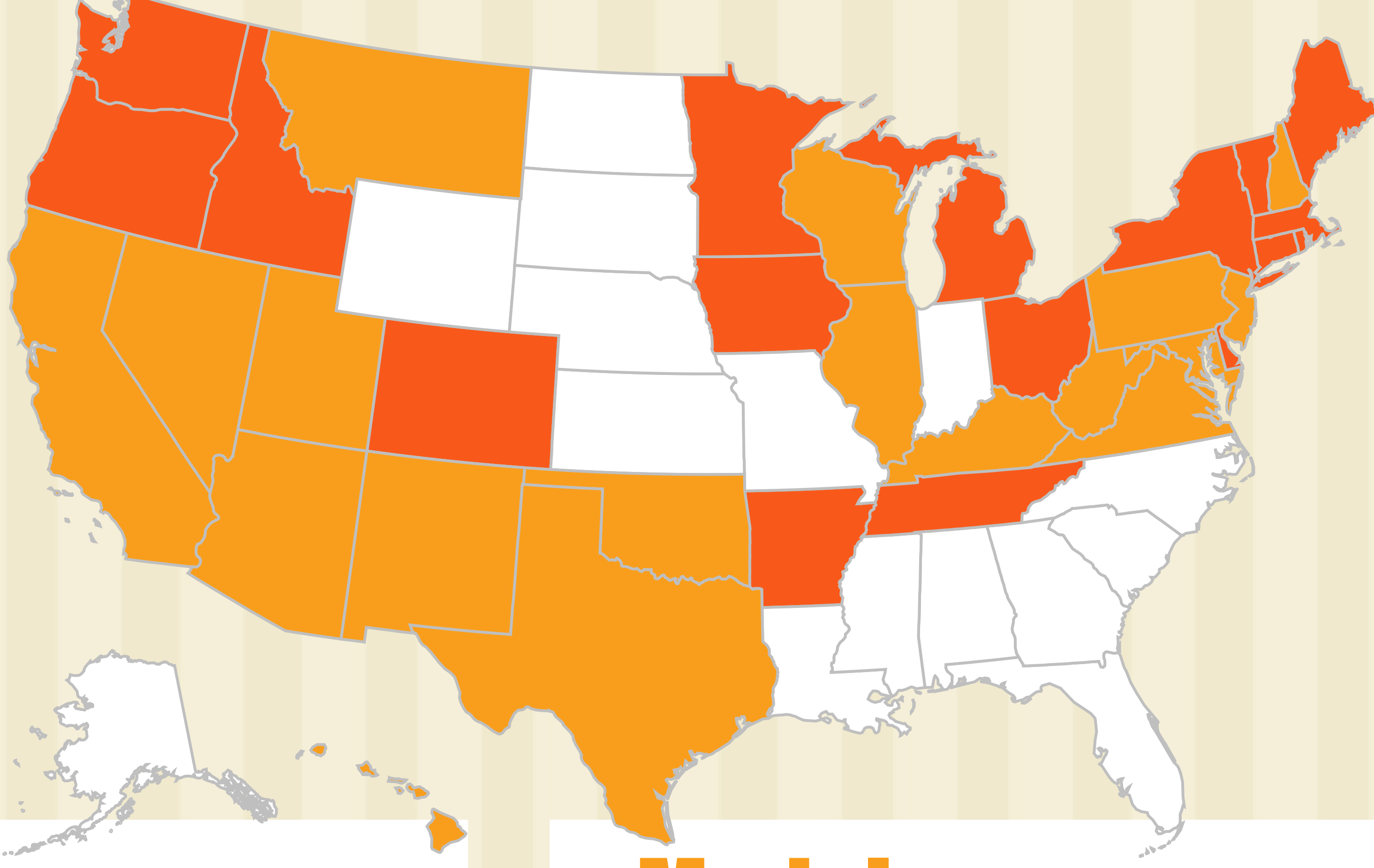
- bundled payments 
- global budgets 
- pay-for-performance 
- accountable care arrangements 

#### To...

- enhance consumer experience 
- increase patient centered outcomes 
- decrease costs 

<http://innovation.cms.gov/initiatives/state-innovations/>

## SIM AWARDS



**Model Test Awards** given to 17 states ready to implement their State Health Care Innovation Plans

**Model Design Awards** given to aid 17 states currently developing their innovation proposals

**SIM goals of cost containment and quality improvement are better achieved when payment models are aligned with consumer engagement**

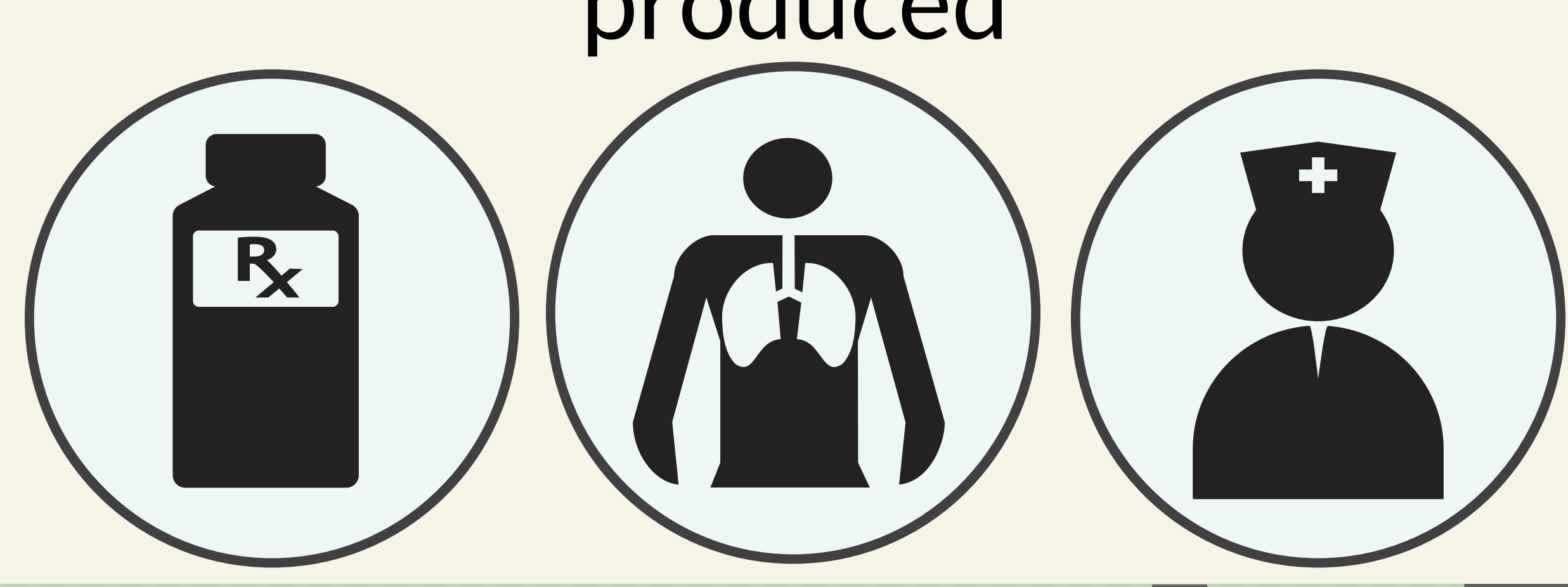
### A Potential Solution: Value-Based Insurance Design



Built on the principle of lowering or removing financial barriers to essential, high-value clinical services, V-BID plans align patients' out-of-pocket costs with the value of services, using "clinical nuance"

#### What is clinical nuance?

Services differ in clinical benefit produced



Clinical benefits from a specific service depend on:



### Incorporating Clinical Nuance in SIM

- Aligns payer and consumer incentives
- Improves patient-centered outcomes
- Reduces disparities
- Enhances consumer experience
- Increases efficiency of medical expenditures