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BAUCUS PUSHES INNOVATION CENTER TO MORE QUICKLY IMPROVE HEALTH CARE QUALITY, LOWER COSTS

<u>Finance Chairman Examines Innovation Center's Progress, Says More Must Be Done to Quickly Integrate</u>
<u>Successful Programs into Broad Use</u>

WASHINGTON – In a Senate Finance Committee hearing today, Chairman Max Baucus (D-Mont.) urged the Center for Medicare and Medicaid Innovation, known simply as the Innovation Center, to ramp up efforts to develop new ways of improving health care quality and lowering costs.

"We can't wait a decade to develop a model for affordable, quality care before implementing it nationally. We need to cut through the red tape and act quickly to preserve Medicare and Medicaid for the long-term," Senator Baucus said. "We need to allow proven ideas to ramp up and spread rapidly without waiting for Congress to act. That is the Innovation Center's task. It can broadly deploy demonstration projects that are proven to reduce spending or increase the quality of care."

Senator Baucus authored legislation in 2009 creating the Center for Medicare and Medicaid Innovation to put the best new ideas from the private sector to work preserving Medicare and Medicaid. The center already has more than 30 programs underway testing new and creative ways of providing efficient, high-quality care to five million beneficiaries across all 50 states.

Senator Baucus highlighted Health Link Now as a provider supported by the Innovative Center. The online clinic will use interactive technology to connect mental health patients in rural communities with the quality care they need. The initiative is expected to reduce costs by preventing unnecessary hospital admissions and emergency room visits, while simultaneously improving access to care for patients in Montana and other rural areas.

The Innovation Center has also set up more than 30 Pioneer Accountable Care Organizations (ACOs) across the nation. These are initiatives made up of doctors, hospitals and providers to test new methods of coordinating care to improve health outcomes.

According to the Congressional Budget Office, investments in the Innovation Center are expected to generate a 13 percent return through 2019. And in the decade after, the center is expected to save taxpayers tens of billions of dollars.

Senator Baucus said the Innovation Center should aim to shorten the time it takes to bring a successful demonstration model into broad use. He discussed a program tested between 2003 and 2009 – before the Innovation Center existed – that rewarded hospitals for delivering high-quality care, which proved successful at reducing overall costs. However, the value-based pay system that grew out of the test only

went into use nationally this year. Senator Baucus said the Innovation Center should test, evaluate and integrate successful, new ideas nationwide within only a few years, instead of a decade or more.

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