



Connecticut

State Innovation Model

June 9, 2015

President Signs SGR Repeal Bill: Value-Based Payment Components Align with Connecticut’s Healthcare Reforms

On April 16, 2015 President Obama signed legislation that repeals the Sustainable Growth Rate (SGR), and changes the way Medicare pays doctors.



As reported by the Washington Post, the president announced that the legislation gives assurances to doctors about their payments and “it also improves it because it starts encouraging payments based on quality, not the number of tests that are provided or the number of procedures that are applied but whether or not people actually start feeling better. It encourages us to continue to make the system better without denying service.”

The bipartisan legislation reflects a national momentum towards value-based payment models. The bill will provide financial incentives to providers for increasing patients overall health, and not just for providing individual services.

The bill, titled Medicare Access and CHIP Reauthorization ACT (MACRA) includes a merit-based incentive payment system (MIPS) that gives incentives to providers who perform well according to quality metrics, and gives bonus payments and payment bumps to doctors whose patients are in value-based payment models, starting in 2019.

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Connecticut has recently joined the [Healthcare Payment Learning Action Network](#), which is intended to accelerate the transformation of the nation's health care delivery system to one that achieves better care, smarter spending, and healthier people by supporting the adoption of alternative payment models.

Connecticut's Medicaid program is also making strides towards value-based payment. As part of the SIM initiative, the Department of Social Services launched a process, in consultation with the Care Management Committee of the Medical Assistance Program Oversight Council, to build on the existing, successful Person-Centered Medical Home initiative by planning a new shared savings arrangement - the Medicaid Quality Improvement Shared Savings Program (MQISSP).

Under MQISSP, the Department will competitively select Federally Qualified Health Centers and advanced networks (medical groups, independent practice associations, integrated networks). These providers will be charged with improving both clinical outcomes and also working with the community organizations that support the whole-person needs of Medicaid beneficiaries. If MQISSP providers are successful in achieving these results, they will be eligible to receive a portion of any cost savings that are accomplished. MQISSP aims to positively impact nearly 30% of Medicaid beneficiaries in the first wave in 2016.