



CMMI: A \$10 Billion Bureaucratic Boondoggle

The Center for Medicare and Medicaid Innovation (CMMI) was created under the Affordable Care Act (ACA) in 2010 to test new models that would reduce costs while preserving or improving healthcare quality. Instead of achieving those goals, CMMI has been a costly, failed experiment that has driven up taxpayer costs and disrupted care for millions of patients and their caregivers.

Rather than supporting a targeted number of small, early-stage demonstrations, CMMI has launched a plethora of different tests, some of them seeking to implement sweeping, nationwide models that patients and providers are forced into, often without their knowledge or consent. These experiments routinely disrupt treatment, delay care, and undermine patient-provider relationships — while consuming **\$10 billion per decade** in mandatory taxpayer funding.

Compounding the problem is that fact that CMMI's priorities and demonstration models undergo major change every time a new administration takes over CMS, which increases waste, and prevents a commitment to a stable number of smaller, targeted demonstrations focused on meeting the needs of patients and consumers.

The Problem: CMMI Has Failed Patients and Providers

Patient Care Disrupted. Billions Lost on Failed Models. Zero Accountability.

CMMI's track record of failure: Instead of its initially projected savings of \$2.8 billion, CMMI lost \$5.4 billion from 2011–2020 and is projected to lose an additional \$1.3 billion by 2030.

- Only six out of more than 50 models avoided increased spending or reduced care quality.
- Major models like Primary Care First, Making Care Primary, and the ESRD Treatment Choice model were terminated early after failing to achieve meaningful improvements.
- CMMI institutes one-size-fits-all “models” that handcuff providers and alter treatment plans without consent from patients or providers.
- CMMI models enforce complex, and often confusing, coverage schemes that fail to save patients, providers, or taxpayers' money.
- CMMI frequently struggles to gather and evaluate relevant data and report it back to participants in a timely manner, making it even harder for them to succeed.
- CMMI's models disrupt patient care, resulting in increased long-term healthcare costs.

After more than a decade of experimentation, CMMI has failed to save money, improve care, or respect patient choice.

Policymakers and Experts Are Sounding the Alarm

Leading experts and elected officials have voiced serious concerns.

“There’s no question CMMI lacks transparency. Worse, since its creation, it has failed to improve Medicare and Medicaid for beneficiaries”

– Rep. Adrian Smith (R-Neb.)

“Created under ObamaCare, CMMI has been allowed to operate and increase direct spending by billions of taxpayer dollars a year without congressional approval or any meaningful oversight for far too long.”

– Rep. Vern Buchanan (R-Fla.)

“Although CMMI has disappointed expectations, it continues to wield broad powers. It can create programs that are unlimited in duration and unbounded in scope. Congress has, in effect, invested legislative authority in CMMI.”

– National Taxpayers Union (Doug Badger, Pete Sepp, Andrew Lautz)

“... [We] don’t need [more] bureaucratic micromanagement cloaked under the mantle of innovation. Which is why Congress should do away ... with the Center [sic] for Medicare and Medicaid Innovation.”

– James Capretta, American Enterprise Institute

Solution: Restore Accountability and Put Patients First

After years of failures and disrupted care, there is widespread agreement that CMMI’s authority must be reined in, and patients and providers put back at the center of healthcare decisions. But based on CMMI’s failures to date, it may be too late to save it from termination.

Reform Priorities:

Better Stewardship of Taxpayer Dollars

- CMMI model spending should be suspended and reviewed.
- Failed models that increase costs or reduce quality must be eliminated.

Greater Oversight and Accountability

- Congress should hold oversight hearings and reestablish clear limits on CMMI’s authority.
- Guardrails should prevent mandatory nationwide changes.

Protecting Patient Choice

- Patients and doctors should never be forced into federal test models.
- Innovation must put individual patient needs first.