

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



Office of the Administrator

To: Paul Spitalnic
Chief Actuary, Centers for Medicare & Medicaid Services

From: Patrick Conway, MD, MSc
Acting Principal Deputy Administrator, Centers for Medicare & Medicaid Services

Date: February 18, 2016

Subject: Actuarial Certification of Prevention Models

The goal of the Center for Medicare and Medicaid Innovation (Innovation Center) is to test innovative payment and service delivery models to reduce program expenditures while preserving or enhancing the quality of care furnished to beneficiaries. The Innovation Center is testing various innovative models that focus on improving outcomes for beneficiaries by preventing the progression of disease. As a consequence, beneficiaries may experience greater longevity as a result of these interventions.

One of the criteria for expansion of Innovation Center models under section 1115A(c) is that the Secretary determines that expansion is expected to improve quality without increasing spending or not reduce quality while reducing spending. The Centers for Medicare & Medicaid Services has made a determination that costs associated with expected improvements in longevity are not appropriate for consideration in the evaluation of net program spending.