





A report to the Chairman, Committee on the Budget, House of Representatives

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**What GAO Found**

The Center for Medicare and Medicaid Innovation (Innovation Center) was established within the Centers for Medicare & Medicaid Services (CMS) to test new approaches to health care delivery and payment—known as models—for use in Medicare or Medicaid. From 2011 through 2024, the Innovation Center obligated \$11.4 billion for its activities. These included the testing of 70 models—24 of which were actively being tested as of January 2025. Total annual obligations peaked at \$1.3 billion in fiscal year 2015 and have since decreased by nearly 40 percent to \$789 million in fiscal year 2024. According to officials, these trends reflect the number of models the Innovation Center tests, among other factors.

**Center for Medicare and Medicaid Innovation (Innovation Center) General Process for Model Development and Testing**

 <b>Idea &amp; concept</b>	<ul style="list-style-type: none"> <li>• Identify ideas for new models from internal and external stakeholders</li> <li>• Assess concepts in the context of the current portfolio of models and CMS and administration priorities</li> </ul>
 <b>Planning &amp; design</b>	<ul style="list-style-type: none"> <li>• Develop a model proposal that includes an estimation of model effect on federal spending</li> <li>• Select models for testing based on factors including feasibility and potential impact</li> </ul>
 <b>Solicit &amp; build</b>	<ul style="list-style-type: none"> <li>• Solicit and select contractors to evaluate the model and support operation (e.g., build information technology and learning systems)</li> <li>• Solicit, select, and establish agreements with participants</li> </ul>
 <b>Operate &amp; evaluate</b>	<ul style="list-style-type: none"> <li>• Operate model, generally for less than 10 years</li> <li>• Evaluate model effect on federal spending and quality of care</li> <li>• Make changes to the model as necessary based on regular monitoring</li> </ul>

Source: GAO and Centers for Medicare & Medicaid Services (information); GAO (icons). | GAO-26-107953

Of 70 models tested, the Innovation Center has expanded four models to be implemented nationwide. These four models achieved net savings during the testing period. In addition to expanding certain models, the Innovation Center has also incorporated elements into Medicare and tested successor models that iterate upon previous concepts.

The Innovation Center uses selected performance management practices to regularly assess the performance of its efforts to test new health care delivery and payment approaches. For example, in May 2025, the Innovation Center established new long-term goals to outline the agency’s vision for its activities. It also developed corresponding near-term goals, including performance measures with targets and time frames. The Innovation Center uses this information to evaluate its progress toward its long-term goals, according to officials, and plans to regularly assess the outcomes of its activities against these near-term goals.

**Why GAO Did This Study**

In 2010, the Patient Protection and Affordable Care Act established the Innovation Center to test new health care delivery and payment approaches to reduce federal health spending. In 2012 and 2018, GAO reported on the Innovation Center’s progress in testing models, use of resources, and its assessment of its overall performance.

GAO was asked to update its earlier work. In this report, GAO (1) describes the Innovation Center’s obligations from 2011 through 2024 and how it obligated the funds to develop and test models; (2) describes the outcomes of model testing; and (3) examines the extent to which the Innovation Center follows selected practices of performance management to assess its performance.

GAO reviewed obligations data from fiscal years 2011 through 2024, reviewed model documentation and performance information, and compared efforts against selected performance management practices. GAO interviewed officials from the Innovation Center and CMS’s Office of the Actuary.