

**Written Testimony of the State Innovation Model Project Management Office**  
**Submitted to the Public Health Committee**  
**March 11, 2015**

**H.B. No. 6938, AN ACT CONCERNING THE DELIVERY OF QUALITY HEALTH CARE AND MODERNIZATION OF HEALTH CARE FACILITIES**

The State Innovation Model Project Management Office (SIM PMO), located within the Office of the Healthcare Advocate (OHA) appreciates this opportunity to submit testimony concerning **HB 6937: An Act Concerning the Delivery of Quality Health Care and Modernization of Health Care Facilities**. The SIM PMO does not support Section 3 of this bill.

Section 3 of this bill requires a study to be conducted to determine the feasibility of using State Innovation Model (SIM) funds to create a value-based healthcare delivery system in the city of Waterbury.

In December 2014 Connecticut received a \$45 million State Innovation Model (SIM) grant from the Centers for Medicare & Medicaid Services (CMS). The CT SIM plan is the product of two years of planning, including input from 25 consumer focus groups, an extensive survey of approximately 800 consumers, and more than 60 multi-stakeholder meetings. It is currently driven with broad representation across the state of Connecticut with a governance structure that includes a Healthcare Innovation Steering Committee, Consumer Advisory Board, and four SIM councils.

CMS's purpose for the SIM initiative is to provide "financial and technical support to states for the development and testing of state-led, multi-payer health care payment and service delivery models that will improve health system performance, increase quality of care, and decrease costs for Medicare, Medicaid and Children's Health Insurance Program (CHIP) beneficiaries—and for all residents of participating states." (<http://innovation.cms.gov/initiatives/state-innovations/>).

CT SIM aims to establish a whole-person centered healthcare system that improves population health and eliminates health inequities; ensures superior access, quality, and care experience; empowers individuals to actively participate in their healthcare; and improves affordability by reducing healthcare costs. Our reforms aim to impact all residents of Connecticut. Section 10 of our Cooperative Agreement with the Center for Medicare and Medicaid Innovation (CMMI), a division of CMS, states that our new payment and service models must "move the care in the state for the preponderance of the state's total population from models that reward service volume to clinical and financial models that reward better health, better care, and lower cost through improvement, and consider levers and strategies that can be applied to influence the structure and performance of the state's entire health care system." Limiting these initiatives to one city or region runs counter to the intent and vision of this opportunity.

Our Cooperative Agreement with CMMI began February 1, 2015 and we have already begun implementation of the approved state-wide SIM initiative. Section 8 of our Cooperative Agreement states that: "All funding provided under this award shall be used by the recipient exclusively for the

program referenced in the Notice of Award and described in the funding opportunity announcement and delineated in the Recipient's approved proposal."

Finally, federal rules require that direct recipients of federal funds be competitively procured. We anticipate that health systems in Waterbury will have the opportunity to compete to participate in SIM funded or SIM related reforms.

For these reasons, the SIM PMO must oppose Section 3 of this bill.