

Unpacking Trump Admin Plans For Value-Based Care

By **Miranda Franco** (March 28, 2025)

The Center for Medicare and Medicaid Innovation released a statement on March 12 on plans to unveil a new strategy focused on "improving the health of Americans through disease prevention via evidence-based practices, empowering individuals with information to make informed decisions, and promoting choice and competition." [1]



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Established under the Affordable Care Act, CMMI's primary role is to test new ways of providing and reimbursing health services. The center runs temporary pilot programs aimed at improving patient care and reducing costs, with the ultimate goal of incorporating successful approaches into broader Medicare and Medicaid policies.

Currently, CMMI oversees 23 models and receives \$10 billion in mandatory funding each decade to develop, test and evaluate different experiments.

The announcement from CMMI suggests that the Trump administration is putting its own stamp on value-based care. Early signs of this shift became clear with the recent cancellation of several payment models, many of which had supported primary care. Some of these models were nearing their completion, while others had only recently launched.

Overview of Models Affected

Specifically, CMMI announced plans to discontinue the Primary Care First; Making Care Primary; mandatory End-Stage Renal Disease Treatment Choice; and Maryland Total Cost of Care models. [2]

Here is a bit of background on these models.

Primary Care First

Primary Care First is a voluntary model offering an innovative payment structure to support advanced primary care, prioritizing clinician-patient relationships and improved health outcomes for patients with complex chronic needs.

Making Care Primary

Making Care Primary is a 10.5-year model focused on improving care management and coordination, helping primary care clinicians form partnerships with specialists and community resources to address patient health needs.

End-Stage Renal Disease Treatment Choices

End-Stage Renal Disease Treatment Choices is a mandatory model designed to increase home dialysis and kidney transplants for Medicare beneficiaries with end-stage renal disease, while reducing expenditures and maintaining care quality. The model will be formally terminated through future rulemaking.

Maryland Total Cost of Care

Maryland Total Cost of Care is a Maryland-specific model aimed at achieving fixed savings for Medicare beneficiaries' total cost of care. It will transition to the States Advancing All-Payer Health Equity Approaches and Development model in January 2026, pending state discussions.

CMMI aims to end these models early, by Dec. 31. The Centers for Medicare and Medicaid Services stated in a press release that participants in these models will receive follow-up communication regarding the model-specific wind down.

Additionally, the Medicare \$2 Drug List and Accelerating Clinical Evidence models will not move forward as previously announced. CMMI also stated that it is considering options to reduce the scope of the Integrated Care for Kids model.

Takeaways and Considerations

These terminations signal the administration's growing focus on regularly assessing whether demonstration models are achieving expected cost savings while maintaining or improving quality of care. CMMI estimates that ending these models will save taxpayers roughly \$750 million, though it has not detailed how these savings will be achieved. More updates are expected in the near future.

Accordingly, providers involved in other demonstration models should prepare for potential changes, particularly if CMMI continues with its new strategy regarding innovation center demonstrations. Notably, CMMI has confirmed that it plans to continue with other active models, including the Accountable Care Organization Primary Care Flex model.

Drawing on insights from the first Trump administration, many anticipate a more contentious stance on mandatory models and a likely pivot toward payor-centric payment reforms.

Also notable will be the influence of new leadership at the U.S. Department of Health and Human Services. Abe Sutton, the director of CMMI and former policy adviser to the U.S. Domestic Policy Council, as well as an adviser to the HHS secretary during the first Trump administration, was known for focusing on market-based solutions.

After his time in government, Sutton worked at an investment firm, and his background in private sector investment may lead him to prioritize the rapid scaling of high-performing models, as well as influence his perspective on long-term model timelines. Further, equity under his purview may be more focused on rural health equity.

A new CMMI approach could also build on concerns raised by HHS Secretary Robert F. Kennedy Jr., who highlighted the high rates of chronic diseases such as diabetes, cancer, asthma and obesity, linking their prevalence to escalating national healthcare costs.

Additionally, support for initiatives such as Medicare Advantage, championed by voices such as incoming CMS Administrator Mehmet Oz, could further influence CMMI's push for more market-driven solutions.

It's also worth noting that CMMI has faced substantial criticism from Republicans — highlighted in a U.S. House of Representatives Committee on Energy and Commerce hearing in June 2024 — for issues such as program complexity and limited cost savings.

Despite these critiques, CMMI's model flexibility is significant compared with other CMS

demonstration authorities, with a broader latitude in scale, the ability to act mostly nationwide, its exemption from budget neutrality requirements and the lack of time limits. Given this scope, CMMI is likely to remain central to policy efforts under the Trump administration.

CMMI's new strategic vision may contain valuable indicators for what stakeholders could expect next. These new imperatives could present opportunities or challenges. Providers, payors and innovators have the chance to adjust their models to offer and finance care that aligns with both federal directives and the evolving needs of their patient populations.

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[1] <https://www.cms.gov/newsroom/press-releases/statement-cms-innovation-center-aligning-portfolio-statutory-obligation>.

[2] <https://www.cms.gov/newsroom/fact-sheets/cms-innovation-center-announces-model-portfolio-changes-better-protect-taxpayers-and-help-americans>.