



Risk, Reward, and Realization:

CMMI's New Era of Value-Based Care

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U.S. healthcare stands at a tipping point—rising costs, workforce strain, and shifting patient expectations are accelerating change. The Center for Medicare and Medicaid Innovation (CMMI) is leading this charge with a [2025 strategy refresh](#) centered on prevention, accountability, and person-centered care.

Lumeris' experience in value-based care aligns closely with the imperatives driving CMMI's strategy. With over 15 years of partnering with providers and health systems, Lumeris has demonstrated that sustainable improvement comes when financial rewards and accountability are balanced.

CMMI's Emerging Vision for 2025: Prevention, Empowerment, and Accountability

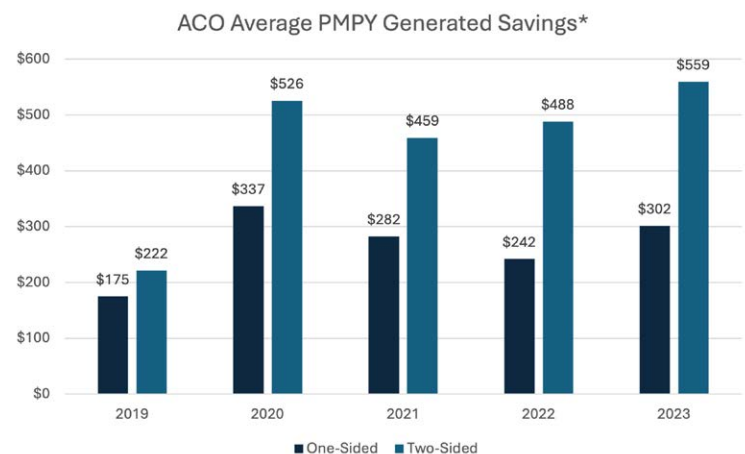
CMMI's new strategic framework addresses the unsustainable nature of a fragmented, reactive healthcare system. Its four strategic pillars are:

- Promoting Evidence-Based Prevention:** Focus upstream to slow chronic disease and improve population health.
- Empowering People to Achieve Health Goals:** Equip individuals and providers with data, tools, and incentives to make informed decisions.
- Driving Choice and Competition:** Expand access, promote innovation, and encourage provider diversity.
- Protecting the Federal Taxpayer:** Require more models to include downside risk to ensure cost savings and sustainability.

CMMI's message is clear: upside-only voluntary models are no longer sufficient. True transformation demands a two-sided risk, where providers are accountable for both savings and losses. Advanced technology is the key to driving success across the four strategic pillars.

Why Two-Sided Risk Matters

As we discussed in [2023, two-sided risk indeed matters](#). Recent data from the Medicare Shared Savings Program continues to reinforce the benefit of shared accountability. Accountable Care Organizations (ACOs) in two-sided risk models significantly outperform those in upside-only models. In 2022 and 2023, these ACOs delivered per-beneficiary savings that were approximately twice as high as those achieved by upside-only models.



*Compared to benchmark
<https://data.cms.gov/medicare-shared-savings-program/performance-year-financial-and-quality-results>

This performance is not an accident. The accountability inherent in two-sided arrangements compels organizations to invest in data-driven care coordination, prevention, and management. Meanwhile, principles of behavioral economics suggest that loss aversion, the tendency to be more sensitive to potential losses than to possible gains, could motivate participating clinicians. Certainly, when there is nothing at stake in upside-only arrangements, it's harder to expedite appropriate improvements that meaningfully reduce the total cost of care for beneficiaries and generate savings for the Medicare Trust Fund.

Moreover, CMMI's roadmap calls for expansion of downside risk arrangements—not only in Medicare, but Medicaid and multi-payer models as well. Scaling across a physician's panel is essential to change management or “mindshare” of the clinical practice workflow. This alignment across payers reinforces behavior change and reduces administrative friction. It also allows CMMI to rapidly scale models that work (or disband those that don't, quickly).

A New Era: Technology as a Force Multiplier for Prevention and Engagement

CMMI's vision also prioritizes technology as the backbone of value-based care. Technology is the connective tissue that powers prevention, patient empowerment, and risk management **at scale**. As two-sided risk models continue to expand—and, in some cases, become mandatory—technology will be essential to success. It enables proactive care, real-time cost management, and the closure of quality gaps. Clinicians and organizations that fail to adopt technology risk being left behind or excluded from future value-based care models, much like today's requirement for certified electronic health record (EHR) technology in ACOs.

Enter Tom™: Lumeris' Agentic AI Platform

With Tom, Lumeris' agentic AI technology platform, the infrastructure needed to scale value-based care is now within reach. Tom was purpose-built to close critical gaps identified by both policymakers and practitioners:

- **Scalable Prevention:** Tom continuously analyzes data from claims, EHRs, labs, wearables, and social determinants of health data sources to detect risks, surface care gaps, and trigger actions like screenings, vaccines, and lifestyle interventions. Aligned with CMMI's prevention first pillar, Tom does more than inform: it acts. Tom contacts patients when needed and facilitates high-value prevention, not only during office visits, but throughout a patient's care experience.
- **Empowerment:** Tom integrates and personalizes health data, enabling patients to better understand and manage their health. Its agentic AI brain can autonomously facilitate appointment scheduling, medication adherence, social needs screening, and immediate escalation of urgent issues. For providers, Tom seamlessly fits into workflows, reduces the administrative burden of coordinating that care plan, and delivers the “Best Next Action” at the point of care, allowing more time for complex problem-solving and human connection.

- **Access and Equity:** With over 100 million Americans lacking adequate primary care, Tom helps fill the gap by automating tasks, extending touchpoints, and managing care across settings - particularly for rural, underserved, or high-need populations. This mirrors CMMI's push for more equitable, locally tailored care.
- **Enabling Two-Sided Risk at Scale:** Effective participation in downside risk requires rigorous cost driver & quality gap recognition and real-time intervention management of patient panels. Tom equips organizations with the real-time intelligence and operational capability needed to act and succeed in advanced risk models—enabling confident participation in downside risk arrangements.

A Shared Vision: Partnering for Sustainable Transformation

As CMMI shifts toward positioning two-sided risk in all new models, organizations must invest in the people, processes, and tools to thrive.

Those who embrace these changes early by leveraging next-generation tools like Tom, with supporting value-based infrastructure, will be best positioned for high-performance contracting, quality improvement, and leadership in their communities

Conclusion: The Time is Now

The era of passive participation in value-based care is over. With CMMI's 2025 vision and the era of artificial intelligence, we are entering a new phase—one where organizations are not just held accountable for outcomes but truly empowered to deliver them. Performance year 2026 is the first full year under the new administration. Be prepared to enter a value-based model now, in anticipation of performance year 2026, to prepare your organization for this two-sided risk trajectory.

Those ready to embrace two-sided risk and adopt advanced technology will lead the transformation. The reward? Greater efficiency, better care, and healthier communities.

References:

CMMI Strategic Direction, 2025-

<https://www.cms.gov/priorities/innovation/about/cms-innovation-center-strategy-make-america-healthy-again>

Data.CMS.Gov Performance Data

Lumeris Analysis and Platform Documentation

Risk for Reward 2023: <https://www.lumeris.com/insights/risk-for-reward-two-sided-risk-is-crucial-to-win-in-value/>

For more on how Lumeris supports value-based care and its technology platform, Tom, visit www.lumeris.com