

CLIENT ALERT

CMS Announces Early Termination of Four Medicare Payment Models

MARCH 19, 2025

Some Medicare payment models are slated for early termination and even termination prior to actual launch. On March 12, 2025, the Centers for Medicare and Medicaid Services (CMS) Innovation Center announced substantive changes by year-end—including, in some cases, early terminations—for seven specific Medicare payment models.

The CMS Innovation Center (the Center) develops and implements multiyear models for payments and services to further promote high-quality healthcare. CMS employs the Center to conduct various time-limited models in controlled environments to test innovative healthcare-delivery concepts and gather data regarding relevant factors used to determine program success and suitability for further expansion across the target program-beneficiary population. Key factors typically include program cost, scalability, and health outcomes, among other criteria that may vary from program to program.

OVERVIEW OF CHANGES

A CMS press release noted that the Center regularly assesses its implemented payment models for efficiency, effectiveness, and legal compliance. Without providing any specifics as to the results of its ongoing analysis of the affected programs, CMS announced its decisions to terminate four models early:

1. Maryland Total Cost of Care (original performance period 2019–2026);
2. Primary Care First (original performance period 2021–2026);
3. ESRD Treatment Choices (original performance period 2021–2027; CMS intends to propose termination through the regulatory rulemaking process); and
4. Making Care Primary (original performance period 2024–2034).

Citing “the flexibility provided by President Trump’s rescission of Executive Order 14087 on January 20, 2025,” CMS also announced plans to terminate two previously announced Medicare payment models:

1. Medicare \$2 Drug List; and
2. Accelerating Clinical Evidence.

As with the terminated programs that were already in progress, CMS did not share further details about substantive concerns that may have been identified about these two initiatives. Last, CMS announced that it is considering a reduction in the size of or making other changes to the [Integrated Care for Kids](#) model (original performance period 2020–2026).

RATIONALE

CMS’s press release on these program terminations referenced its estimate of attaining budget savings of approximately \$750,000,000. The agency did not, however, provide additional details on this cost-saving analysis that might have given insights as to what spurred the decision to terminate these particular programs. CMS did, however, specify that it intends to release “final evaluation reports from ending models to inform participants and other stakeholders of the important findings and insights about the tested approaches to value-based care.”

Although the government’s press release asserts that no other existing Innovation Center payment models have been identified for termination, the Center left open the possibility of future changes to active payment models.

NEXT STEPS

CMS’s press release indicated that stakeholders participating in the terminated programs—e.g., providers, state agency partners, and patients—will receive information from the agency about timelines and alternative programs for care, particularly for primary care healthcare needs. In the interim, affected organizations and patients should seek advice on the best courses of action to avoid interruptions of care.

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