CMS ANNOUNCES ARTIFICIAL INTELLIGENCE HEALTH OUTCOMES CHALLENGE

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Policy and Regulatory Alert

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On March 29, 2019, the Centers for Medicare & Medicaid Services (CMS), in partnership with the American Academy of Family Physicians (AAFP) and the Laura and John Arnold Foundation, announced its Artificial Intelligence (AI) Health Outcomes Challenge (AI Health Outcomes Challenge). The AI Health Outcomes Challenge is aligned with President Trump's recently announced executive order to prioritize research and development of America's AI capabilities, in recognition of the increasing use of AI in the health care setting.[1] The CMS Innovation Center will potentially use the tools developed during the AI Health Outcomes Challenge to support the next generation of advanced payment and service delivery models.

By implementing the AI Health Outcomes Challenge, CMS seeks demonstrable AI solutions to help predict unexpected hospital and skilled nursing facility admissions and adverse events. Proposed solutions are expected to develop accurate predictive capabilities that integrate a significant amount of quality and utilization data, allowing health care providers to utilize the appropriate resources at the appropriate time, improving quality of care. As stated by CMS Administrator Seema Verma in describing the AI Health Outcomes Challenge, “For artificial intelligence to be successful in healthcare, it must not only enhance the predictive ability of illnesses and diseases, but also enable providers to focus more time with patients. The power of artificial intelligence will truly be unleashed when providers understand and trust the data and predictions.”[2]

The AI Challenge will involve the following three stages:

1. Launch Stage (March 2019 – June 2019)
2. Stage 1 (Summer 2019 – Fall 2019)
3. Stage 2 (Winter 2019 – Spring 2019)

CMS seeks participation from all industry sectors, not just health care. During the Launch Stage, interested parties — including technology and health care companies, clinicians, scientists, academic medical centers, and patient groups — must complete an application and submit a slide deck describing their proposed solution (application instructions are at https://go.cms.gov/AI). CMS will choose up to 20 participants to move to Stage 1. During Stage 1, participants will develop algorithms that predict health outcomes from available Medicare claims data, along with strategies and methodologies to explain their AI-driven predictions to clinicians and physicians. CMS will then select five participants to move from Stage 1 to Stage 2, with each of the five finalists receiving a monetary prize of $80,000. During Stage 2, participants will refine their algorithms and solutions using expanded Medicare claims data. At the completion of Stage 2, CMS will award the grand-prize winner $1 million and the runner up $250,000.

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The deadline for submitting applications and slide decks for the Launch Stage is June 18, 2019. The competition is expected to run for approximately one year and the winner will be announced in April of 2020. CMS notes that dates and prize amounts are subject to change. For more information visit https://go.cms.gov/AI, or view the CMS public announcement at https://innovation.cms.gov/Files/x/aichallenge-pubnotice.pdf.

K&L Gates' FDA and Health Care practices regularly assist life sciences, technology, and health care companies on the implementation of innovative digital health technologies such as AI. We will continue to closely monitor CMS and related government agency developments regarding the research and development of AI capabilities in the healthcare sector.

Notes:

[1] https://www.whitehouse.gov/presidential-actions/executive-order-maintaining-american-leadership-artificial-intelligence/

[2] https://www.cms.gov/newsroom/press-releases/cms-launches-artificial-intelligence-health-outcomes-challenge

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