CLIENT ALERTS & INSIGHTS

CMS Launches WISeR Model: A Technology-Enabled Effort to Reduce Wasteful Medicare Spending

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Authors: Nesko Radovic, Scott P. Downing, Jason S. Greis, Jake A. Cilek, Christopher DeGrande, Nicholas Adamson

On June 27, 2025, the Centers for Medicare & Medicaid Services ("CMS"), through its Innovation Center ("CMMI"), released the Request for Applications ("RFA") for a new payment and service delivery initiative: the Wasteful and Inappropriate Service Reduction (WISeR) Model. This six-year demonstration project will test whether the use of advanced technology, particularly artificial intelligence ("AI") and machine learning ("ML"), can support CMS in identifying and reducing unnecessary spending on services provided to Medicare fee-for-service beneficiaries. Applications are due by **July 25, 2025**, and selected participants will begin operations on **January 1, 2026**, with the model running through **December 31, 2031**.

Two key takeaways from the WISeR Model are: (1) participating technology vendors will be eligible for performance-based compensation through a shared savings methodology, with payments based on cost reductions as determined by CMS; and (2) participation is voluntary for healthcare providers, who may choose whether to engage with the model's prior authorization process or continue under existing post-payment review protocols. Further details regarding both the payment methodology and provider participation are outlined below

Background and Policy Rationale

The WISeR Model represents CMS's latest attempt to reduce waste, fraud, and abuse in the traditional Medicare model by introducing a structured, technology-enabled prior authorization process. Unlike traditional CMS models that primarily target providers, WISeR is structured to test whether private-sector vendors-specifically, technology companies with prior authorization infrastructure-can act as intermediaries in identifying potentially unnecessary or non-compliant care.

CMS estimates that a significant portion of Medicare expenditures-over $5 billion annually-may be tied to services that are either unsupported by clinical evidence or misused in routine practice. Through the WISeR Model, CMS seeks to channel private-sector innovation to improve claims accuracy and safeguard the Medicare Trust Fund. This approach furthers the current administration's agenda of reducing waste, fraud, and abuse in healthcare through private-sector means.

Model Design and Scope

WISeR will be implemented in four Medicare Administrative Contractor ("MAC") jurisdictions-JH, JL, JF, and J15-which collectively include Texas, Arizona, Oklahoma, Ohio, New Jersey, and Washington. CMS selected these jurisdictions based on a combination of claims volume, regional administrative readiness, and prior program integrity efforts.

A key innovation in the WISeR Model is the introduction of a new class of participant: technology vendors that will serve as prior authorization entities. These vendors will use AI/ML-assisted tools to conduct an initial triage of prior authorization requests, subject to final review by licensed clinicians. Participants must integrate their systems with MACs and CMS to ensure secure, real-time data exchange and compliance with program standards.

Unlike past CMS efforts that implemented blanket prior authorization requirements through the MACs, WISeR aims to test whether a private-sector, technology-enabled model can support a more targeted and scalable approach. The model will run for six years and is intended to inform future CMS efforts in fee-for-service utilization oversight.

Eligible Participants and Application Requirements

The RFA identifies eligible applicants as entities with prior authorization experience-particularly with Medicare Advantage or commercial insurers-that can demonstrate the following capabilities:

- A functioning, scalable platform that incorporates AI/ML technology to assist in initial review determinations;
- Systems and infrastructure that meet CMS's stringent security and interoperability standards, including HIPAA compliance and FedRAMP certification;
- A panel of licensed clinicians who will provide oversight and final determinations for non-affirmed requests;
- A track record of successful collaboration with health plans or providers on utilization management or similar functions.

Applicants must also be able to accommodate unlimited resubmissions and offer real-time peer-to-peer review mechanisms to allow provider engagement on adverse determinations. CMS has emphasized that participants must maintain transparency, neutrality, and accessibility to avoid any real or perceived conflicts of interest.

The application process will be competitive. CMS expects to select only a small number of participants for the initial performance period. Applications must be submitted via the CMS Innovation Center portal no later than July 25, 2025.

Services Subject to Review

The WISeR Model will initially target a defined set of services that CMS has historically associated with high rates of improper use. These include various neurostimulation devices (such as vagus nerve stimulators and phrenic nerve stimulators), skin substitutes used in wound care, epidural steroid injections (excluding injections targeting spinal facet joints), and certain orthopedic procedures such as knee arthroscopies for osteoarthritis. These services were selected based on CMS data indicating elevated utilization and payment concerns, and all remain covered by Medicare subject to applicable coverage criteria.

Notably, CMS has excluded emergency services and inpatient-only procedures from the model to avoid any delays in care that could compromise patient safety. CMS will maintain existing coverage policies for all services, meaning that WISeR will not change what is covered by Medicare-only the timing and method of review.

Payment and Performance Metrics

Rather than relying on a fixed fee structure, WISeR will operate under a shared savings model. Participating technology vendors will be eligible to receive performance-based payments that reflect a percentage of the cost savings CMS attributes to their review activities. These payments will be risk-adjusted and contingent on a variety of metrics, including:

- Accuracy and consistency of determinations;
- Timeliness of responses;
- Provider and beneficiary satisfaction;
- Impact on downstream healthcare utilization (e.g., reduced ER visits or avoidable admissions).

Participants will also be subject to robust monitoring and auditing by CMS, including real-time data reporting, process evaluations, and corrective action protocols where necessary. CMS reserves the right to withhold or recover payments if a participant fails to meet performance thresholds. As such, participants should be prepared for increased CMS scrutiny over the course of the six-year trial period, if they choose to volunteer and are subsequently selected.

Provider Impact and Strategic Considerations

For providers, participation in the WISeR Model is voluntary, but not without consequence. Providers in the selected states retain the ability to bypass the model entirely and continue submitting claims through traditional channels, subject to standard post-payment medical review. However, CMS has signaled that providers who voluntarily engage with WISeR participants may benefit from more efficient claim determinations, fewer downstream audits, and the potential for “gold card” status-exempting them from prior authorization requirements for certain services if their submissions consistently meet coverage criteria.

In contrast, providers with low affirmation rates or inconsistent documentation may see an increase in scrutiny under existing MAC review protocols. As such, even non-participating providers

operating in affected jurisdictions may feel downstream pressure to align their documentation practices with the standards applied through WISeR.

Healthcare organizations-particularly hospitals, multispecialty groups, and DME suppliers-should carefully evaluate the operational implications of WISeR, including the compatibility of their existing workflows with the technology platforms selected by participating vendors. Early engagement with those vendors may help providers avoid disruption and capitalize on any administrative efficiencies the model may offer.

The WiseR Model CMMI web page is available here.

The full RFA is available here, and interested applicants can access the application portal here.

The Benesch Healthcare+ team monitors developments related to the WISeR Model and other CMMI initiatives and may provide additional updates as they become available. Please contact the authors of this article or another member of the Benesch Healthcare+ team for additional information or if you have any questions.