



New Devices, Old Payment Systems: The Case for Prevention and Screening in the Medicare Program

Greg White
Director, Health Policy



Discussion Topics

- Background on Medicare Coverage Rules
- Preventive/Screening Services Added to the Medicare Benefit Package Since 1989
- Flaws with the Current Legislative Approach to Adding Services
- Why Medicare Should Emphasize Prevention
- Policy Proposal



Medicare Coverage

- Key component of any local or national coverage determination is a **benefit category determination (BCD)**.
- To be covered under Medicare, an item or service must fall within one of the established Medicare benefits (e.g., inpatient hospital, outpatient hospital, durable medical equipment)
- Without a benefit category Medicare coverage is not possible.



Preventive Screening Tests Not Generally Covered by Medicare

Screening is exempt from coverage:

- Social Security Act: *“No payment can be made ... for items and services which ... are not reasonable and necessary for the diagnosis and treatment of illness or injury or to improve the functioning of a malformed body part.”*
- Congress must proactively enact legislation to add preventive services to the benefit package
- Screening (generally not covered) vs. Diagnostic (covered) Services



Medicare Preventive Benefits Authorized by Congress

Benefit	Coverage	Date Created
Pap Smears and Pelvic Exams	Tests covered at 2-yr intervals; high risk individuals annually	OBRA '89
Mammograms	One screening for women age 35-39 over period. Annual screening over 40.	OBRA '90
Colorectal Cancer Screening Tests	Fecal-occult blood tests, sigmoidoscopy, colonoscopy, screening barium enemas. Coverage dependent on age/risk status	BBA '97
Diabetes Self-Management	Education and training services for diabetes, blood glucose monitors and test strips	BBA '97
Bone Mass Measurements	Biannual coverage for estrogen-deficient women at-risk.	BBA '97
Prostate Cancer Screening	Annual test for men over age 50, including digital rectal exam and PSA blood test	BBA '97
Screening Glaucoma Test	Annual screening for high-risk patients defined as patients with diabetes, or with family history of glaucoma, or African-Americans 50 & over	BIPA '00
Medical Nutritional Therapy Services	Beneficiaries with diabetes and renal disease	BIPA '00



Medicare Preventive Benefits Authorized by Congress (cont.)

Benefit	Coverage	Date Created
Welcome to Medicare Physical Exam	All new beneficiaries after 1/1/05. One-time physical exam w/in first 6 months, including assessment, education/counseling, referrals. Performance and interpretation of an EKG. Review of potential risk factors and family history	MMA 2003
Cardiovascular Screening	Tests for cholesterol, lipid, and triglyceride levels beginning January 1, 2005. Test is covered once every 5 years	MMA 2003
Diabetes Screening	Includes fasting plasma glucose test and post-glucose challenge test. <u>Eligibles</u> : with hypertension, dyslipidemia, obesity BMI ≥ 30 , or previous ID of elevated impaired fasting glucose or glucose intolerance <u>or</u> 2 or following: BMI >25 but <30, family history of diabetes, age 65 or older, or history of gestational diabetes or giving birth to baby weighting >9 lbs. - 2 per calendar year for patients diagnosed as pre-diabetes. - 1 per calendar year for previously tested not diagnosed as pre-diabetes, or who have never been tested	MMA 2003



Medicare Preventive Benefits Authorized by Congress (cont.)

Benefit	Coverage	Date Created
AAA Screening	Preventive Screening (ultrasound) for abdominal aortic aneurysms for beneficiaries at risk during a welcome to Medicare physical exam. The covered patient population includes men age 65 and over who have smoked more than 100 cigarettes in their lives, plus women with a family history of abdominal aortic aneurysms. Coverage will begin in early 2007.	DRA 2005



Flaws With the Current Congressional Approach to Prevention & Screening

- Time Lag in Medicare Legislation
- Budgetary Constraints: Prevention is “Scored” as a Cost By the Congressional Budget Office
 - Example of new AAA Screening Benefit Limited to Only New Beneficiaries Due to Budget Pressures
- Legislators Making Clinical Determinations on Medicare Benefit Package
- Are “High-Profile” Conditions Given Greater Prominence in the Political Process?



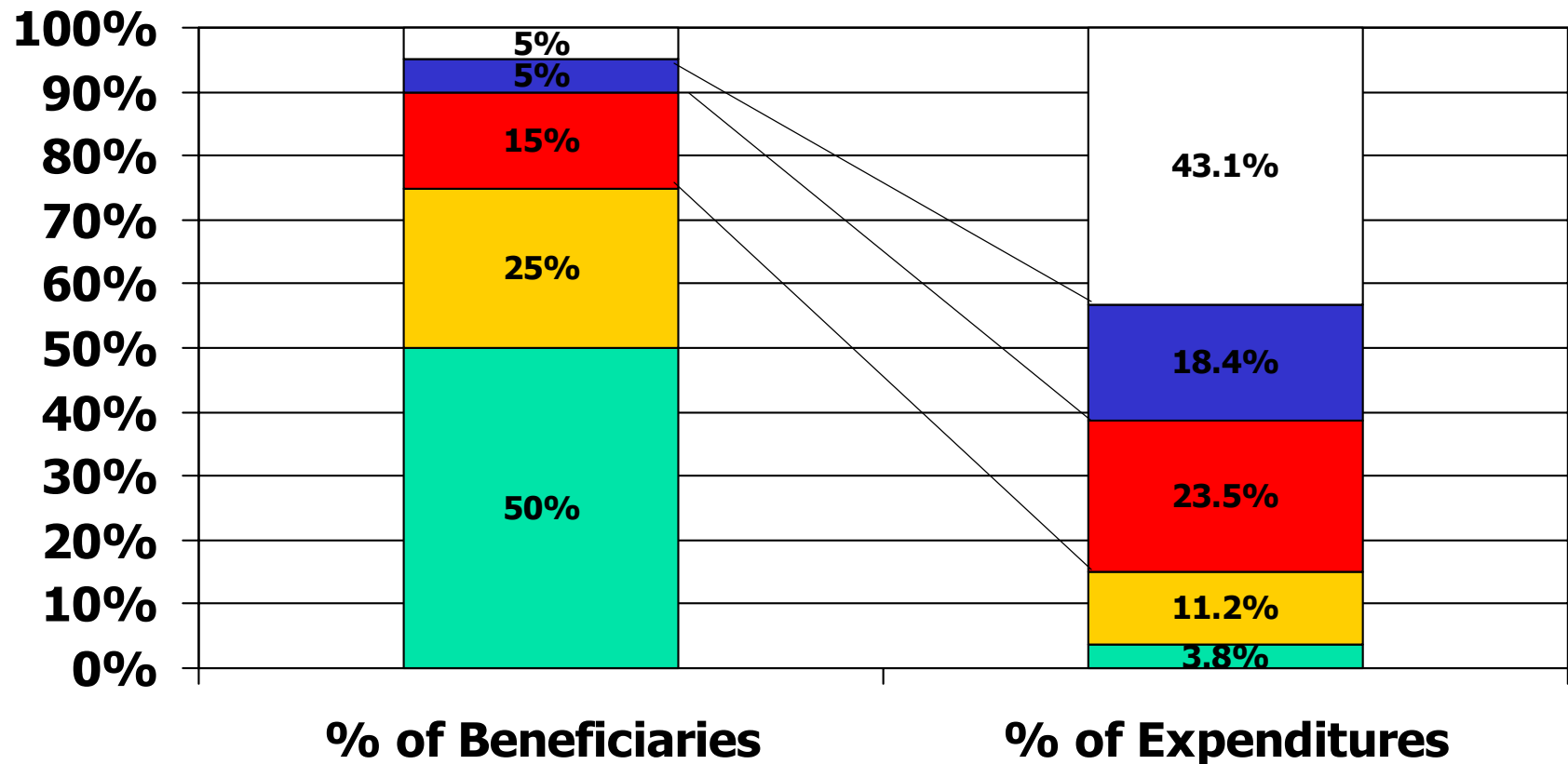
Why Medicare Should Emphasize Screening and Prevention

- Chronic disease is a leading cause of illness, disability and death among Medicare beneficiaries
- Patients with one or more chronic disease account for a disproportionate share of Medicare spending
 - About 14% of beneficiaries have CHF, but they account for 43% of Medicare spending
 - About 18% of beneficiaries have diabetes, but account for 32% of Medicare spending



Costliest 5% of Medicare Patients Accounted for 43% of Total Spending, 2001

Costliest 25% accounted for 85% of Medicare spending



Source: Congressional Budget Office, May 2005



Policy Proposal

- Congress should enact legislation authorizing CMS to make coverage determinations on preventive screening services that are recommended by the U.S. Preventive Services Task Force
- Congress could still provide individual new benefits should CMS not act on a specific service