

***Medicare's
Disease Management
Activities***

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Caring for Chronically Ill Beneficiaries

- Heavily burdened by their illnesses
- Neither fee-for-service Medicare nor Medicare Advantage is currently configured to provide adequate care for these beneficiaries

Caring for Chronically Ill Beneficiaries

- Fee-for-service Medicare:
 - emphasis on provision of services by individual providers
 - centered on single encounter or spell of illness
 - no incentive for coordinated care needed by the chronically ill

Caring for Chronically Ill Beneficiaries

- Medicare Advantage:
 - should be an appropriate environment for coordinated care
 - but current payment system based mostly on costliness of average beneficiary
 - until the MMA, rules limited ability to specialize in specific types of patients

Cost of Chronically Ill Beneficiaries

- 78 percent of Medicare beneficiaries have at least 1 chronic condition, accounting for 99 percent of Medicare spending
- 20 percent of Medicare beneficiaries have at least 5 chronic conditions, accounting for 66 percent of Medicare spending

(SOURCE: The Johns Hopkins University, Partnership for Solutions.)

Implications for Medicare

- We need to find better ways to coordinate care for Medicare beneficiaries with chronic illnesses
- There's a lot of money spent on these beneficiaries that can be better used to encourage appropriate care

Challenges

- Need to retool data system
- Lack of drug benefit (and data)
- Decentralized program administration
- Difficulty communicating with beneficiaries
- Difficulty integrating physicians into process
- Need to provide quick payoff

Objectives

- Improving access to needed and appropriate care
- Improving coordination of care
- Improving physician performance by making them more involved and responsive to patient needs
- Improving patients' ability to become involved in health care decisions and participate in their own care

What Are We Testing?

- What needs to be done to get disease management programs up and running
- How best to provide disease management services
- Which services work in the context of Medicare
- Which conditions lend themselves best to disease management
- Impact of different approaches

Where We Are Today

Coordinated Care Demonstration (BBA)

- Fee-for-service
- CHF, heart, liver, and lung diseases, Alzheimer's and other dementia, cancer, and HIV/AIDS
- 15 sites (+1 case management site)
- Beneficiaries in 16 states and DC
- Urban and rural locations

Where We Are Today

Coordinated Care Demonstration (BBA)

- 15,000 enrollees (split between intervention and control groups)
- Beneficiary recruitment can be a challenge
- Most successful plans established close ties with physicians
- Programs overall appear to be well-received by both participating physicians and enrollees

Where We Are Today

Demonstration of Disease Management for Severely Chronically Ill Medicare Beneficiaries (BIPA)

- Fee-for-service (including prescription drugs) with risk
- Advanced-stage CHF, diabetes, coronary heart disease
- 3 sites
- Up to 30,000 enrollees

Where We Are Today

Physician Group Practice Demonstration

- Fee-for-service (with gain-sharing)
- Large, multispecialty physician groups
- Coordinate Part A and Part B services
- 6 or more sites
- Implementation pending waiver approval

Where We Are Today

Capitated Disease Management

Demonstration

- Capitated payment (fully risk-adjusted)
- Encourage development of specialty plans
- Stroke, CHF, diabetes, others (including dual-eligible and frail elderly)
- Implementation pending waiver approval

Where We Are Today

ESRD Disease Management

- Fully risk-adjusted capitated payment for ESRD beneficiaries
- New ESRD risk-adjustment model
- Set-aside for quality incentive
- Currently in waiver approval process

Medicare Modernization Act

Medicare Care Management Performance

- Encourages physicians' adoption of health information technology (HIT)
- Encourages use of HIT for:
 - promoting continuity of care
 - stabilizing medical conditions
 - preventing or minimizing acute exacerbations of chronic conditions
 - reducing adverse health outcomes

Medicare Modernization Act

Medicare Care Management Performance

- Four sites—2 urban, 1 rural, 1 in Arkansas
- Incentive payments for office systems and chronic care management
- Modeled after Bridges to Excellence program—GE, Verizon, several other large private employers

Medicare Modernization Act

Voluntary Chronic Care Improvement Program

- Coverage of entire designated sub-population in a geographic area—CHF, complex diabetes, COPD
- About 10 sites
- Each site to include 15,000-30,000 beneficiaries

Medicare Modernization Act

Voluntary Chronic Care Improvement Program

- Participating organizations responsible for entire designated population
- Objectives—improved costs, reduced costs, patient satisfaction
- Organizations at risk for 100 percent of their fees

What Do We Hope to Learn?

- Data
- Techniques
- Effectiveness
- Medicare's role

CMS Demonstrations Web Page

http://www.cms.hhs.gov/researchers/demos

The screenshot shows a Microsoft Internet Explorer browser window displaying the CMS Research and Demonstrations web page. The browser's address bar shows the URL <http://cms.hhs.gov/healthplans/research/>. The page header features the CMS logo and navigation links for Consumers, Professionals, and Public Affairs. A search bar is located in the top right corner. The main content area is titled "CMS RESEARCH AND DEMONSTRATIONS: PROJECT DESCRIPTIONS AND FACT SHEETS" and lists several demonstration projects with links to their descriptions. A left sidebar contains links for Programs (Medicare, Medicaid, SCHIP, HIPAA, CLIA) and Topics (Coverage, Laws & Regulations, State, Waivers). The Windows taskbar at the bottom shows the Start button and several open applications, including Novell GroupWi..., Microsoft Word, and Microsoft PowerPoint. The system clock indicates the time is 1:49 PM.

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CMS RESEARCH AND DEMONSTRATIONS:
PROJECT DESCRIPTIONS AND FACT SHEETS

- [Capitated Disease Management Demonstration](#)
- [Physician Group Practice Demonstration](#)
- [Calculation of Charge-Based Relative Values for Part B Laboratory Procedures](#)
- [Medicare Preferred Provider Organization Demonstration](#)
- [Demonstration Project for Disease Management](#)
- [Medicare Partnerships for Quality Services Demonstration](#)
- [Medicare Coordinated Care Demonstration](#)
- [DME Competitive Bidding Demonstration](#)
- [Evaluation of the Program of All-Inclusive Care for the Elderly Demonstration \(PDF Format, 199 KB\)](#)

Local intranet

Start | Novell GroupWi... | Microsoft Word | <http://cms.h...> | Microsoft Powe... | 1:49 PM

Stay tuned

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