

Medicare

HEALTH SUPPORT

Overview

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The MHS Challenge

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Develop and test new programs designed to help targeted chronically ill beneficiaries reduce their health risks

Section 721: “Voluntary Chronic Care Improvement in Traditional Fee-For-Service” of the Medicare Prescription Drug, Improvement and Modernization Act of 2003

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Context

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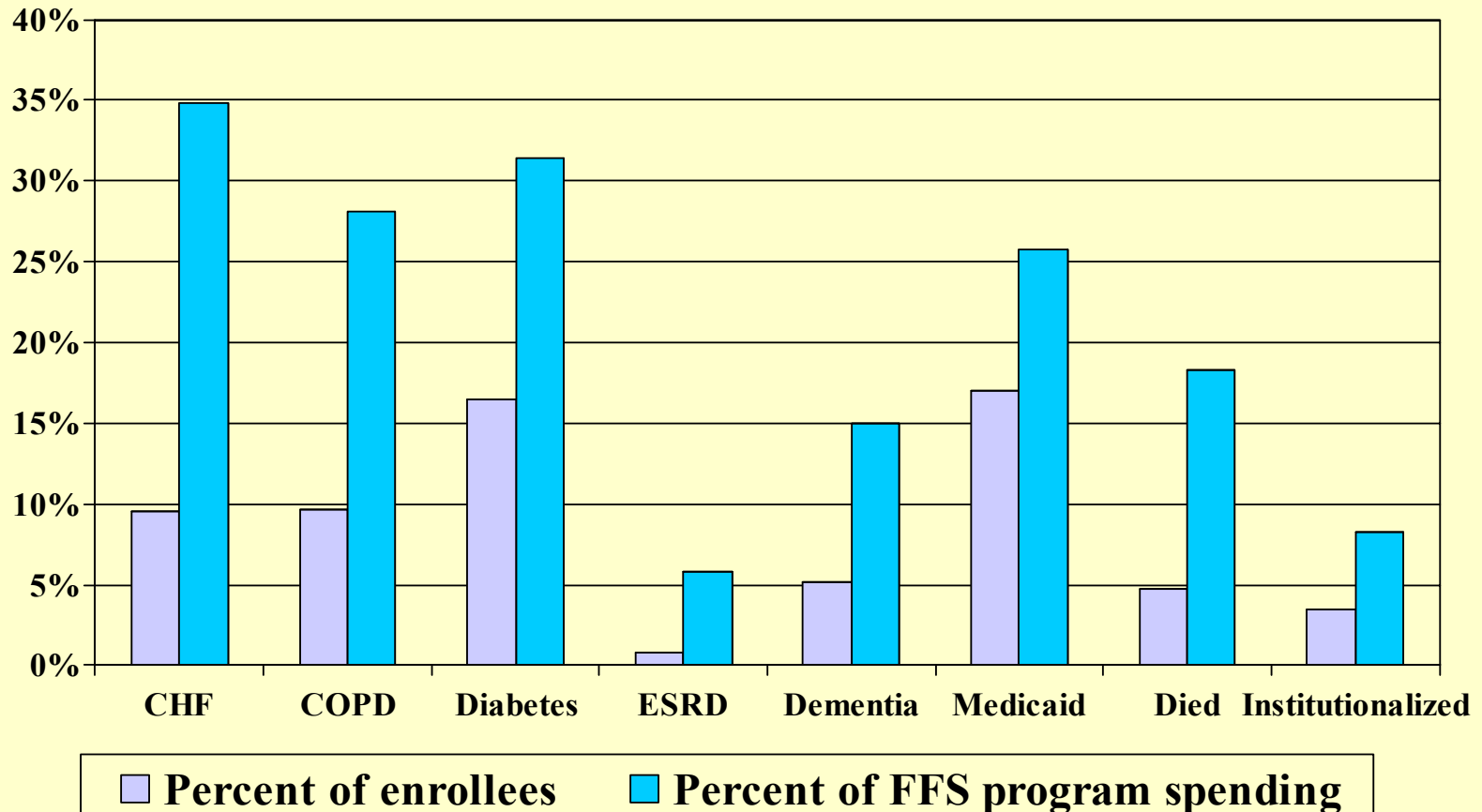
Fee-For-Service Medicare

- 35 million people
- \$281 billion/year
(projected 2005)

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Subgroups Driving Cost



NOTE: Spending includes treatment of co-morbidities, by enrollee subgroup, 2002

SOURCE: C. Hogan and R. Schmidt, MedPAC Public Meeting, 03/18/2004

Multiple Health Risks

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63% of Medicare beneficiaries have 2 or more chronic conditions *

On average, Medicare beneficiaries see **6.4 MDs** and fill **20 Rx** per year*

23% of beneficiaries have 5 or more chronic conditions**

*Medicare Standard Analytic File, 1999. Anderson GF. Testimony on Promoting Disease Management in Medicare -www.partnershipforsolutions.com/statistics/

**Medicare Standard Analytic File, 2001. Anderson GF. N Engl J Med 2005; 353; 305-309

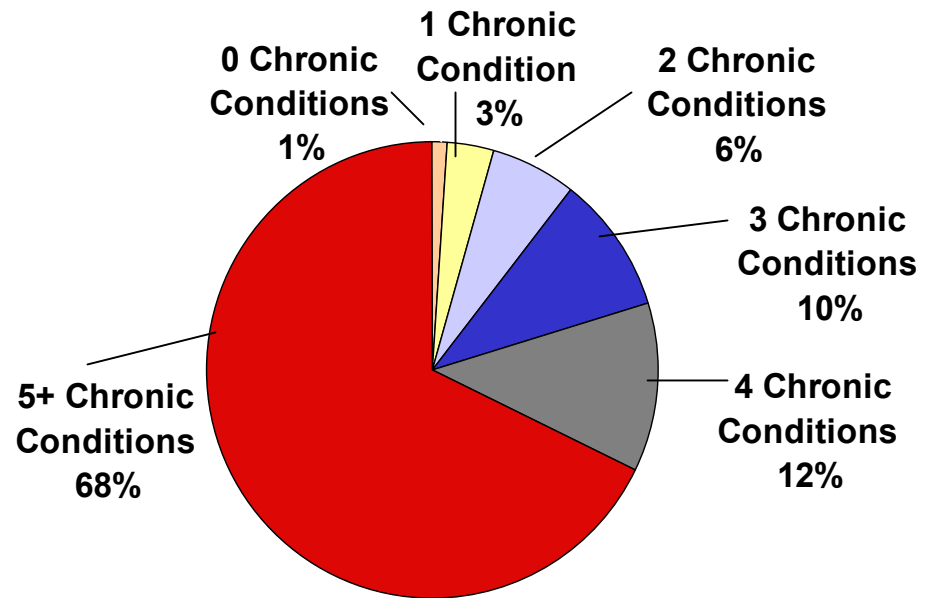
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Multiple Health Risks

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On average, beneficiaries with 5 or more chronic conditions see **14 MDs*** and fill **57 Rx** per year.**



Percent of Medicare Spending

Johns Hopkins University, Partnership for Solutions:
Medicare Standard Analytic File, 2001

*http://partnershipforsolutions.com/DMS/files/Medicare_fact_sheet.pdf

** Older Americans, 2004. Federal Interagency Task Force on Aging-Related Statistics

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Phase I: Developmental

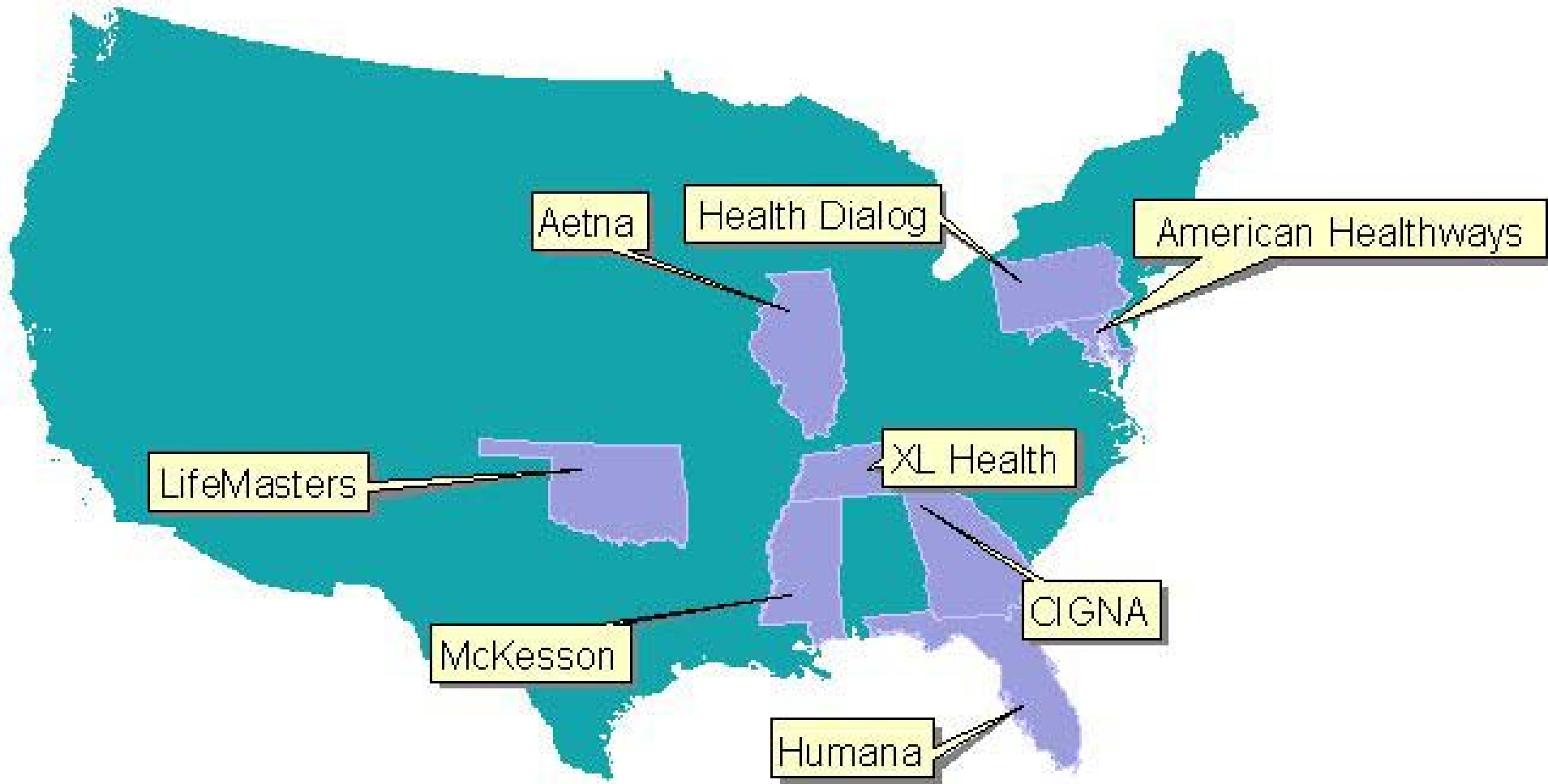
- 8 pilot programs; each to run 3 years
- 20,000 beneficiaries per program; 10,000 per control group—randomly assigned
- Phase II: Expansion will follow in 2–3.5 years, if pilots (or components) are successful

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Phase I Programs

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Who is eligible?

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Medicare Fee-For-Service only

Pre-selected by CMS through claims review,
applying selection criteria (e.g., not in hospice)

All have diabetes and/or congestive heart failure
and HCC risk scores of 1.35 or above

Only individuals invited by CMS can participate
in Phase I programs

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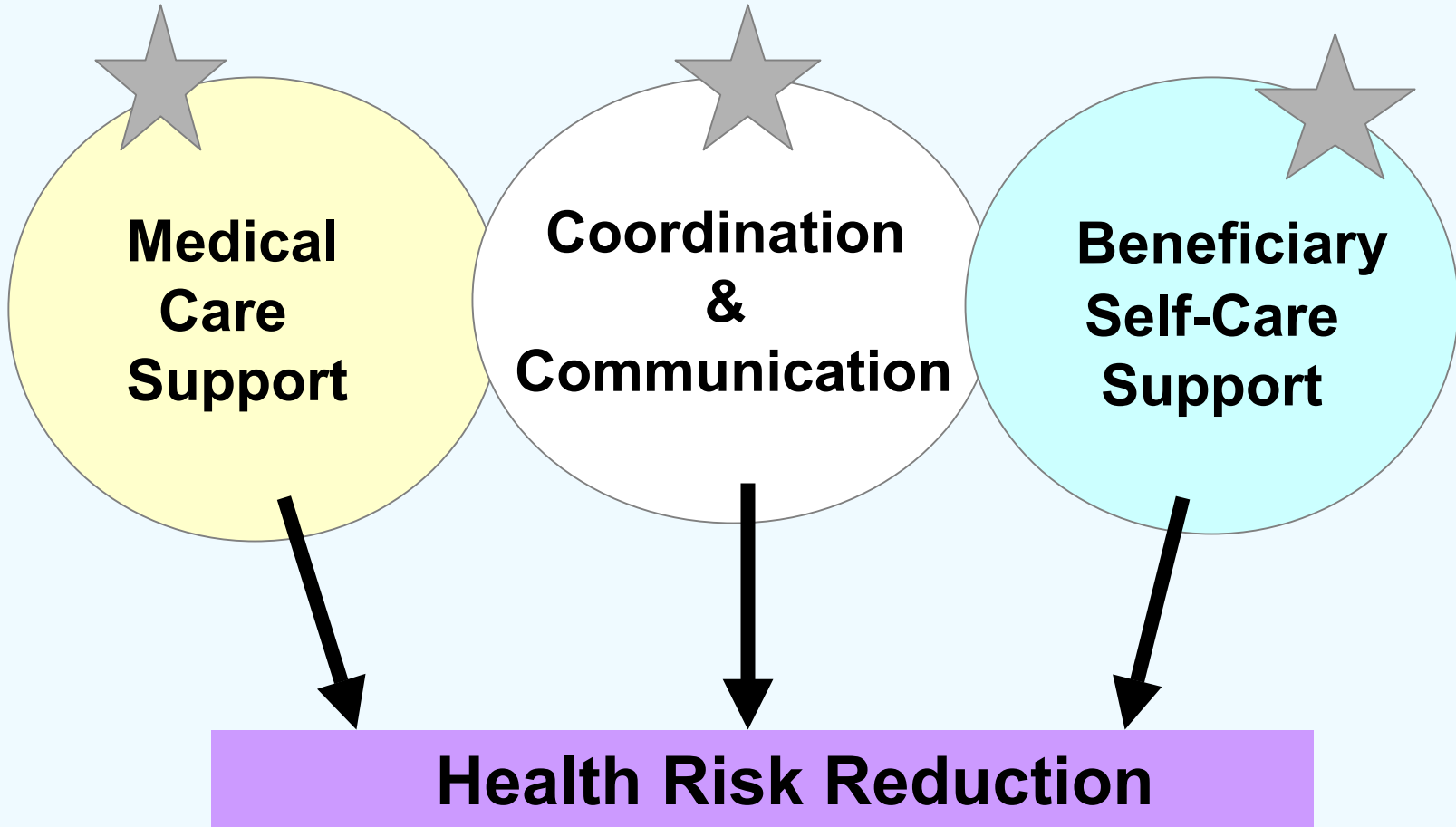
Key Features

- Voluntary
- No charge to participants
- No change in Medicare benefits, choice of providers or claims payment
- Supportive, not restrictive
- Not a substitute for current care

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Personalized Support



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Rx Therapy Management



- Participant self-report of medications
- Part D Rx claims data – plan to start April, 2006
- Statutory obligation for Part D plans to coordinate Rx therapy management with MHS programs for MHS targeted beneficiaries *

*Federal Register, January 28, 2005, 423.153(d)(4)

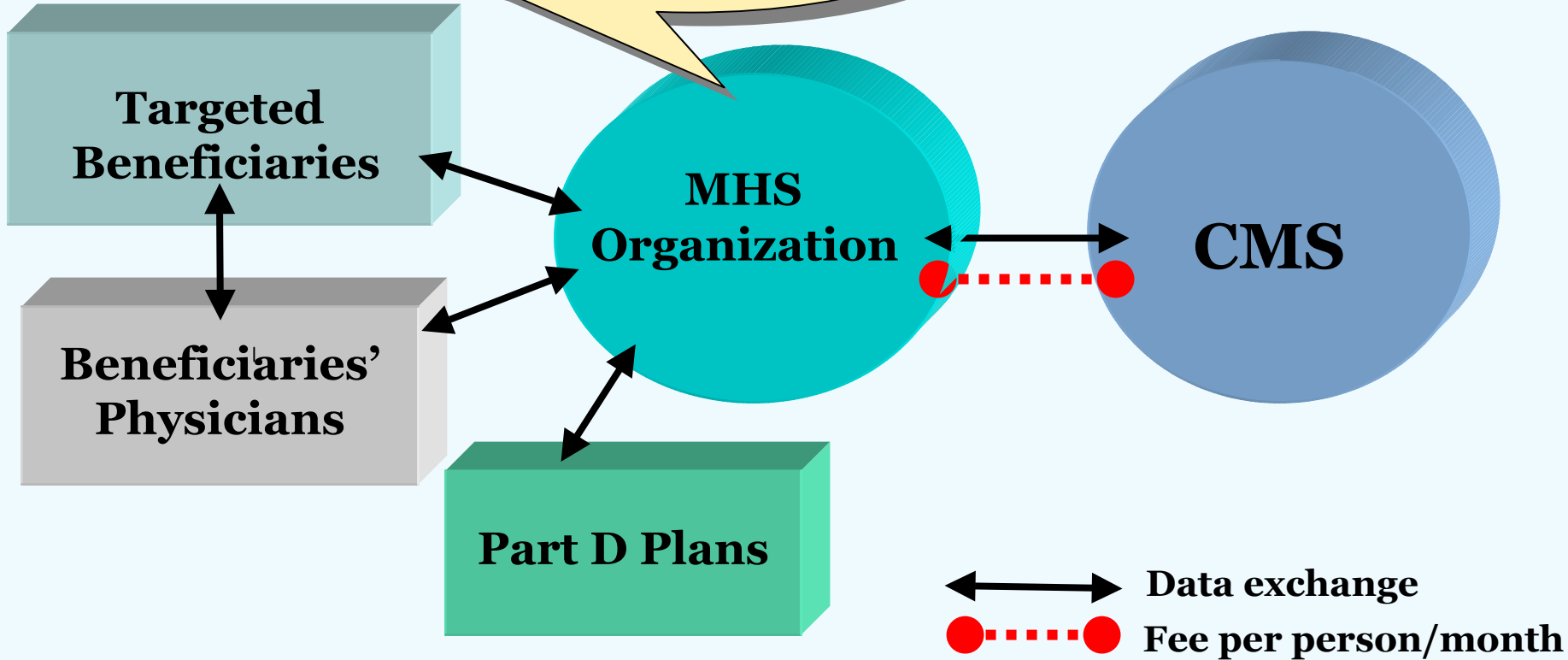
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New Population-Based Model

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Fees at risk: QI,
\$, satisfaction



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Advantages of Model

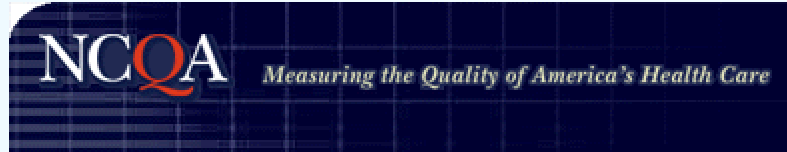
- Flexibility to customize and innovate
- Incentives for regional collaborations
- Emphasis on cost-effectiveness
- Savings measured across provider “silos”
- Sufficient scale to detect significant impacts on population health

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National Organizations Helping to Promote Understanding of MHS

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...AND MANY OTHERS!

Emerging Partnerships

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Many new national and regional alliances
developing with awardees

Examples:

- American College of Physicians
- American College of Cardiology
- American Academy of Family Physicians
- American Geriatric Society

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Expected Results

- Improved health and quality of life
- Lower average Medicare costs
- Reduced complications, emergencies and hospital admissions
- Increased adherence to evidence-based care
- Better coordination of care through use of new health information and communication technologies

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More Envisioned Results

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- Programs well accepted by physicians
- Focus on total health, not selected diseases
- Adaptable, scalable and replicable nationally
- Quality and cost outcomes sustainable over time
- Administrative model works
- Business model (fees at risk) successful
- Programs effective in dually eligible populations

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Where is MHS leading?

New strategies to improve chronic care cost-effectively on a national scale

- Focus on prevention
- New partnerships
- Fostering innovation
- Accountability for performance

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More Information

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Website:

<http://www.cms.hhs.gov/medicarerereform/ccip/>

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