



## Great Expectations: Managing the Centers for Medicare & Medicaid Services

## FORUM SESSION ANNOUNCEMENT

A DISCUSSION FEATURING:

**Gail R. Wilensky, PhD**

*Senior Fellow*

Center for Health Affairs

Project HOPE

**Bruce C. Vladeck, PhD**

*Senior Health Policy Advisor*

Ernst & Young, LLP

FRIDAY, MAY 1, 2009

11:45AM–12:15PM—Lunch

12:15PM–2:00PM—Discussion

### LOCATION

Reserve Officers Association  
One Constitution Avenue, NE  
Congressional Hall of Honor  
Fifth Floor

*(Across from the Dirksen  
Senate Office Building)*

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**OVERVIEW**

*The Centers for Medicare & Medicaid Services (CMS) administers programs that ensure health care for millions of Americans. This entails paying for services provided to Medicare beneficiaries, overseeing state Medicaid programs and the Children's Health Insurance Program (CHIP), providing information to beneficiaries and providers, inspecting health care facilities for compliance with quality and safety requirements, testing and refining payment approaches that are adopted by many payers, ensuring the accuracy of laboratory testing, developing and publishing data on national health care spending, and safeguarding public funds by preventing fraud and abuse. By most accounts, these responsibilities are likely to grow as the country pursues health care reform. In this Forum session, two highly respected former administrators of the agency, Gail Wilensky and Bruce Vladeck, will discuss the range of activities under CMS's purview, the resources available to the agency to fulfill its responsibilities, and whether those resources will be adequate to meet current and future expectations.*

**BACKGROUND**

The adequacy of CMS's administrative budget has been questioned since well before the agency's name change from the Health Care Financing Administration (HCFA). In early 1999, several notable health policy experts sent an open letter to Congress and the administration on the "Crisis Facing HCFA & Millions of Americans." It warned of the increasing responsibilities of the agency and that "...neither Democratic nor Republican administrations have requested administrative budgets of a size that were in any way commensurate with HCFA's growing challenge.<sup>1</sup> For 2009, CMS requested \$3.3 billion for program management out of its \$415.4 billion budget request.

The agency's responsibilities are likely to continue to expand—whether through new payment approaches, experiments with new organizational entities, or other health reform initiatives to expand access, improve quality, or slow spending. Now is the time to once again ask the question, are CMS's resources adequate to the tasks at hand?

## SESSION

Two former administrators, who have remained active in federal health policy, will discuss the challenges and tradeoffs facing CMS as it administers the Medicare, Medicaid, and CHIP programs on a daily basis while trying to position itself and these programs for the future. Both **Gail Wilensky**, who served as HCFA administrator from 1990 to 1992 under the first Bush administration, and **Bruce Vladeck**, who was HCFA administrator from 1993 to 1997 under the Clinton administration, appreciate the abilities of the civil servants who keep the programs running. They also know well the strains put on the agency as new benefits are added, as new populations are targeted, and as it tests alternative delivery and payment models. These activities take place in a highly visible, politicized environment with an aging information technology infrastructure. Drs. Wilensky and Vladeck will discuss how the agency has adapted in the past and the challenges it faces for the future.

## KEY QUESTIONS

- What are the major challenges facing CMS? Is the agency up to those challenges?
- By most accounts, the public programs under CMS's purview need to become more efficient purchasers of health care services, yet many believe that just to fulfill its current responsibilities, CMS is stretched thin. What resources does CMS need to prepare the Medicare, Medicaid, and CHIP programs for the future?
- The agency performs many functions that benefit private insurers, all providers, and the public at large, not just beneficiaries of the public programs. What are those responsibilities, and how should those responsibilities be balanced with the day-to-day requirements of maintaining the Medicare, Medicaid, and CHIP programs?
- In this time of budget constraints, where should the agency look to tighten its belt? Where would cutbacks be "penny wise but pound foolish"?

## ENDNOTE

1. Stuart M. Butler *et al.*, "Crisis Facing HCFA & Millions of Americans," Open Letter to Congress & the Executive, *Health Affairs*, 18, no. 1 (January/February 1999): pp. 8–10.