

Medicare and Chronic Conditions: Breaking Down Barriers to Better Care

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Study panel charged with examining:

- Health care and related needs of beneficiaries with chronic conditions
- How well Medicare meets their needs
- Features of the current Medicare program that support or impede good chronic care
- Experience of other chronic care models

then determining:

- Vision for Medicare to improve care and financing for beneficiaries with chronic conditions
- Recommendations to move toward that vision

*Valuable experience provided by
past chronic care initiatives*

CMS, health plans, and provider groups' chronic care initiatives

- PACE and S/HMOs to integrate the financing and delivery of medical and community-based care for the elderly
- Medicare case management demonstration to manage high-cost beneficiaries
- KP's heart failure program to improve care
- Redesign of payment system for ESRD
- Chronic Care Breakthrough Series Best Practice Collaborative

Lessons learned

- Chronic care requires specialized training of and coordination of providers
- Financial incentives may be helpful
- Info systems important to track patients, diagnoses, and utilization
- Sustained improvement requires comprehensive system change
- May not be possible to vastly improve systems on a budget-neutral basis

Demonstrations limited by OMB budget-neutrality requirement

- Requires projects not increase Medicare expenditures
- For dual eligibles, calculated separately for each program
- Recent demos require provision of drugs and services not covered by Medicare
- De-emphasizes quality of care
- Ideas requiring cost increases (possibly shared by beneficiaries) will be left untested

*NASI Chronic Care
Study Panel
Recommendations*

Medicare has the potential to refocus its Medicare program— as well as the nation’s health care system— and should take a leading role in improving chronic care

Long-term vision

- Provide beneficiaries access to needed services and financial protection from costs that pose barriers to chronic care
- Shift from acute care to chronic care focus
- Actively work to improve the quality of chronic care
- Reimbursement methods to support quality chronic care delivery

*Short-to mid-range
recommendations*

Recommendation 1

Provide beneficiaries with financial protection from chronic conditions

- Add an annual cap on out-of-pocket expenditures for covered services
- Cover services necessary for beneficiaries' chronic care needs (as addressed in Recommendation 2)

Recommendation 2

Support the continuum of care beyond those services presently covered by Medicare

- Address gaps in Medicare's benefit structure (drugs and preventive services)
- Strive to include services related to function and health-related quality of life
 - Relax requirement that to be covered for homecare, beneficiaries must be homebound
 - Cover durable medical equipment with the specific intent of maintaining or restoring function

Recommendation 2 (cont.)

- Provide for assistive devices that compensate for sensory or neurological deficits
- Support rehabilitation as a tool to improve, maintain, or slow the decline of function
- Involve families of beneficiaries
 - Provide Medicare information and education
 - Add an explicit patient-family education benefit
 - Compensate providers for family consultations through modification of E&M codes

Recommendation 3

Promote new models of care

- Foster delivery system change
 - Encourage improved practice organization and care delivery
 - Support geriatric assessment and management
 - Integrate services for dual eligibles
- Increase providers' knowledge of chronic and geriatric care
 - Use GME funds to support chronic care training
 - Support geriatric training for all physicians and train more academic geriatricians

Recommendation 3 (cont.)

- Payment should support new models of care
 - Risk adjust E&M codes
 - Improve models for risk-adjusting prepaid arrangements
- Test alternative payment models within original Medicare

Recommendation 4

Strengthen CMS' role as a purchaser of care

- Measure and report on the quality of care
- Designate Medicare Partnerships for Quality Services demonstration (formerly called the Centers for Excellence) for select chronic conditions

Recommendation 5

Support enhanced information systems

- Foster implementation of electronic information systems
- Promote the collection and standardization of health and functional assessment data

Recommendation 6

Implement and support funding for research and demonstration projects

- Sponsor wide variety of chronic care research and demonstration projects and readily incorporate successful elements into Medicare
- Redefine budget neutrality for the purpose of approving proposed demonstrations
- Increase CMS' budget for research and demonstrations to investigate chronic conditions

Top priority recommendations

Along with a prescription drug benefit:

- Limit cost-sharing requirements by adding an annual cap for out-of-pocket expenditures
- Support new models of care by risk-adjusting E&M codes
- Implement info systems that track beneficiaries across multiple providers and care settings

Low-cost recommendations

- Use GME funding to support chronic care training
- Test alternative payment models
- Measure and report on the quality of chronic care