Medicare and Chronic Conditions: Breaking Down Barriers to Better Care

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Study Panel on Chronic Care

National Health Policy Forum
March 26, 2003
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