

Transforming Care for Medicare Beneficiaries with Chronic Conditions and Long-Term Care Needs: Coordinating Care Across All Services

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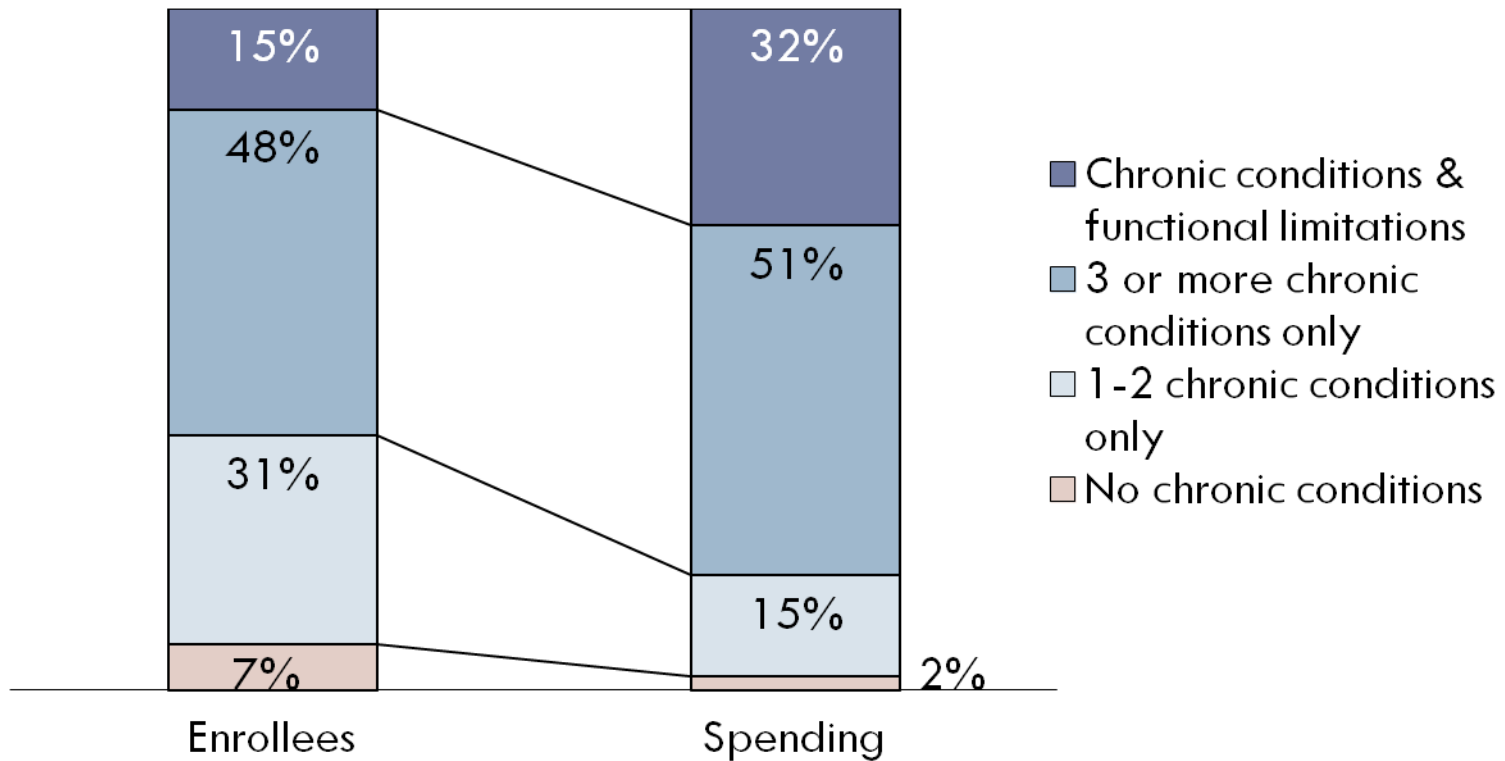
Focusing innovation in delivery on people who need long-term care

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- People with chronic conditions are front and center in the movement for delivery reform.
- But that movement risks missing the mark: high-cost Medicare beneficiaries whose chronic conditions create the need for long-term care.

Chronic conditions **and** functional limitations, not chronic conditions alone, explain high per person Medicare costs

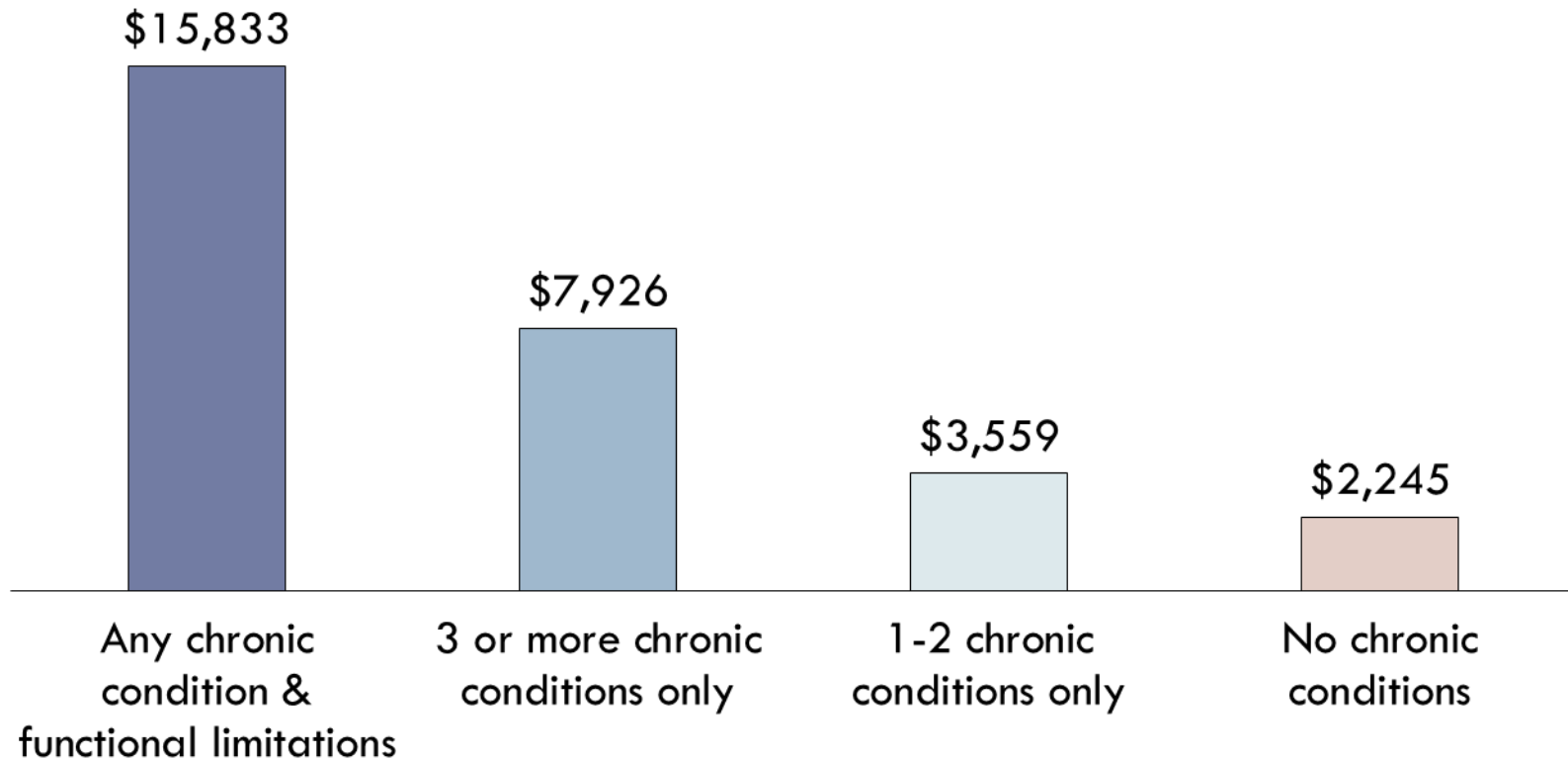
Distribution of Medicare enrollees and spending, by groups of enrollees



Average per person spending for enrollees with chronic conditions and functional limitations is at least double the average for enrollees with chronic conditions only

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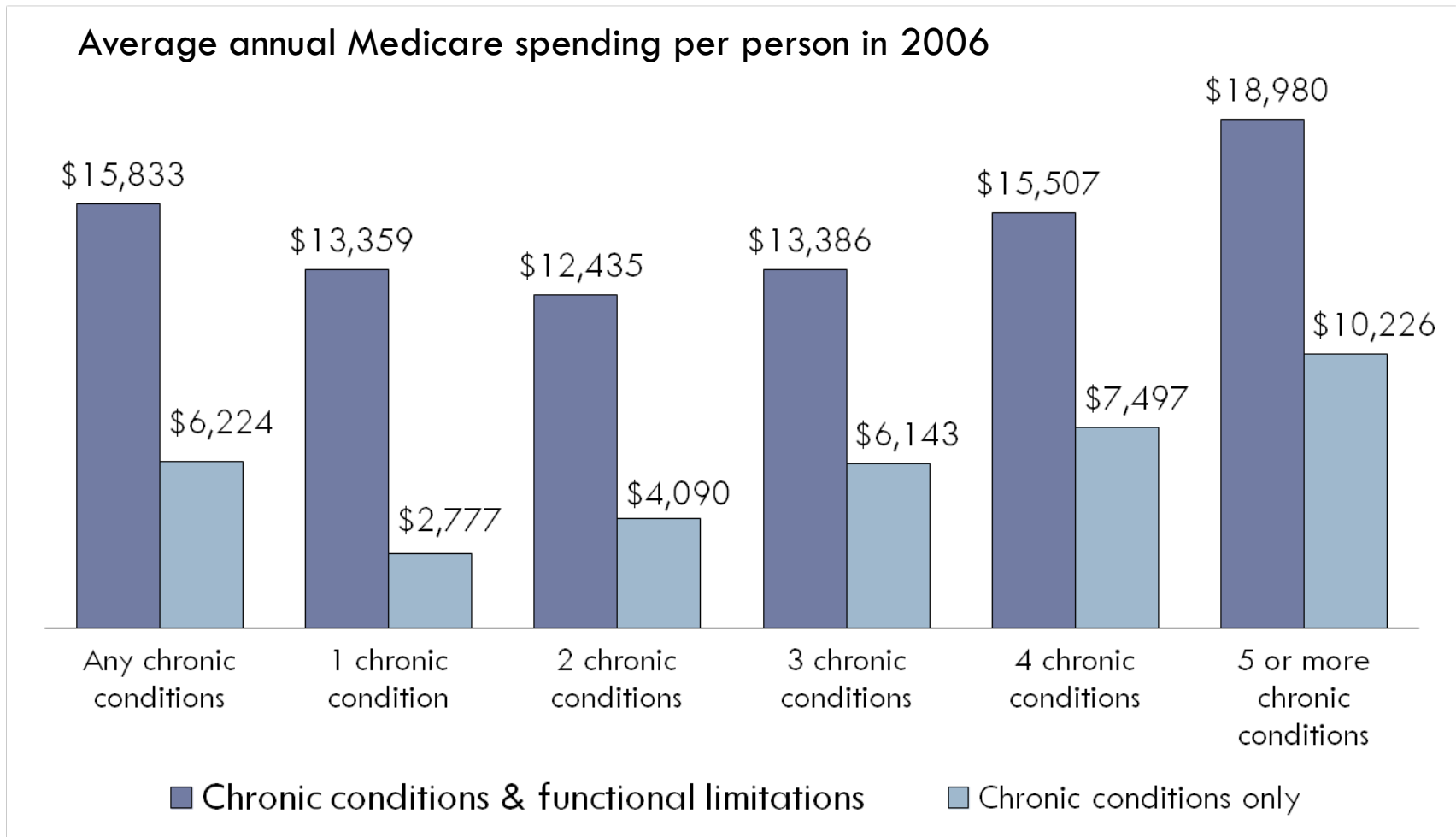
Average annual Medicare spending per person in 2006



Source: H. Komisar & J. Feder, *Transforming Care for Medicare Beneficiaries with Chronic Conditions and Long-Term Care Needs: Coordinating Care Across All Services*, The SCAN Foundation, October 2011.

Medicare enrollees with chronic conditions and functional limitations have higher spending per person than enrollees with chronic conditions only

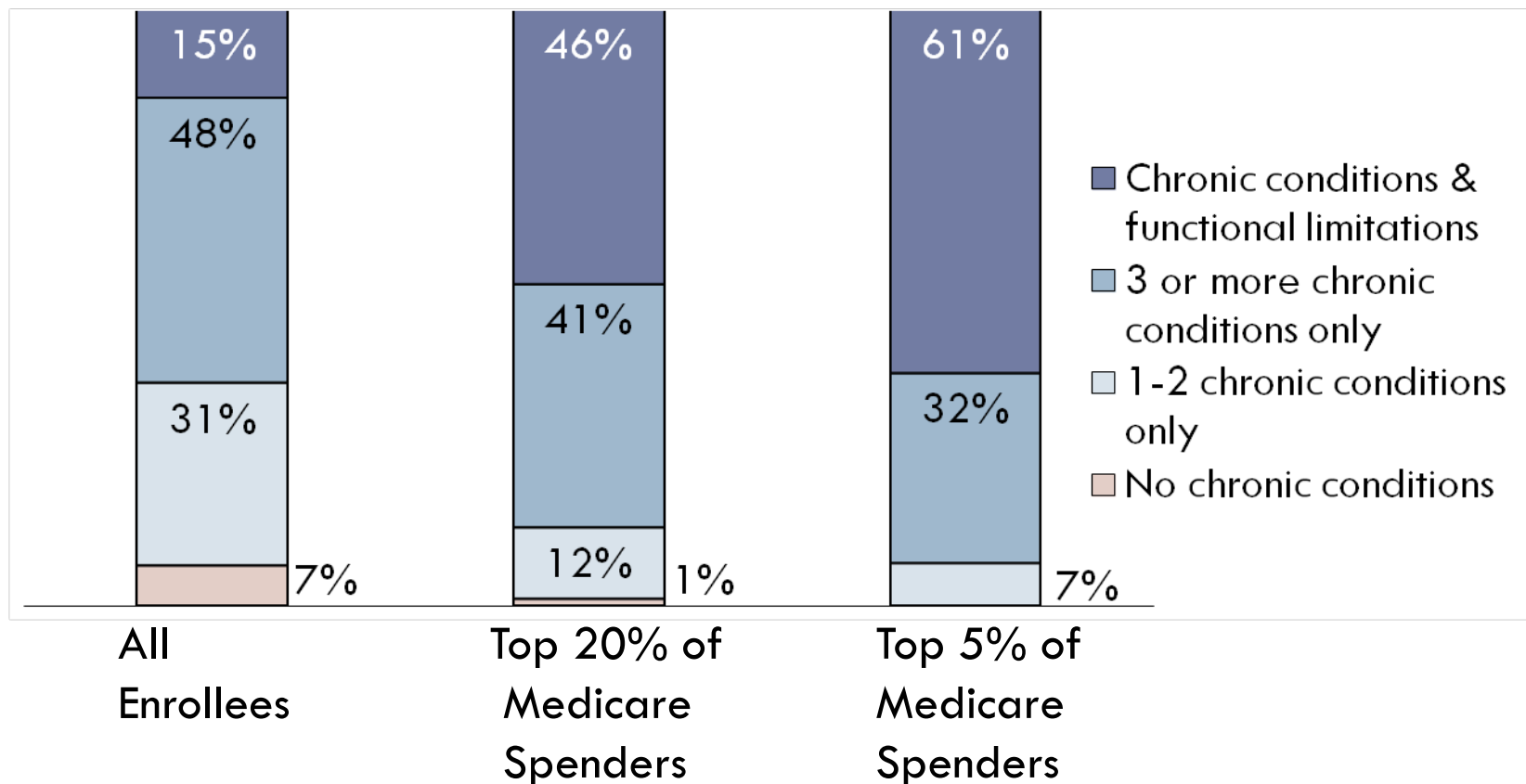
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Source: H. Komisar & J. Feder, *Transforming Care for Medicare Beneficiaries with Chronic Conditions and Long-Term Care Needs: Coordinating Care Across All Services*, The SCAN Foundation, October 2011.

Medicare enrollees with chronic conditions and functional limitations are over half of Medicare's highest spenders

Distribution of enrollees, by groups of enrollees

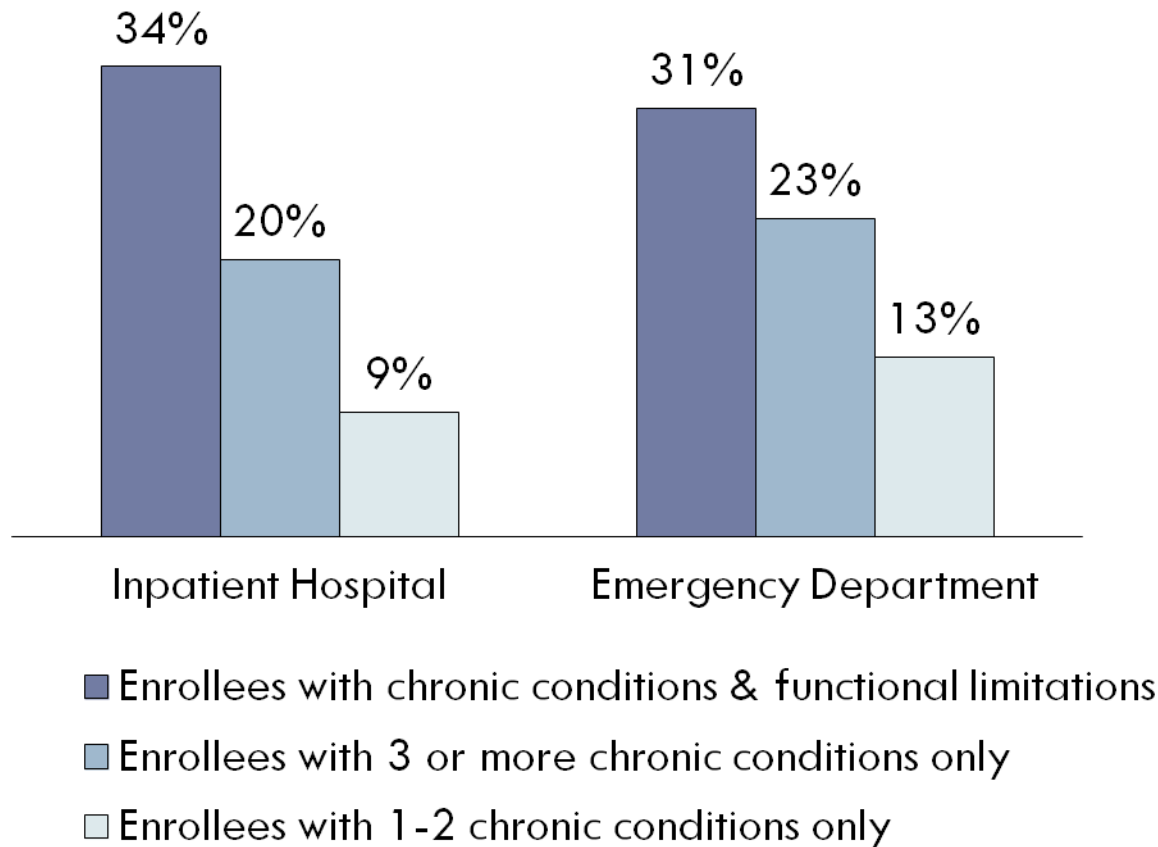


Source: H. Komisar & J. Feder, *Transforming Care for Medicare Beneficiaries with Chronic Conditions and Long-Term Care Needs: Coordinating Care Across All Services*, The SCAN Foundation, October 2011.

Enrollees with chronic conditions and functional limitations are more likely to use hospital inpatient and emergency department services

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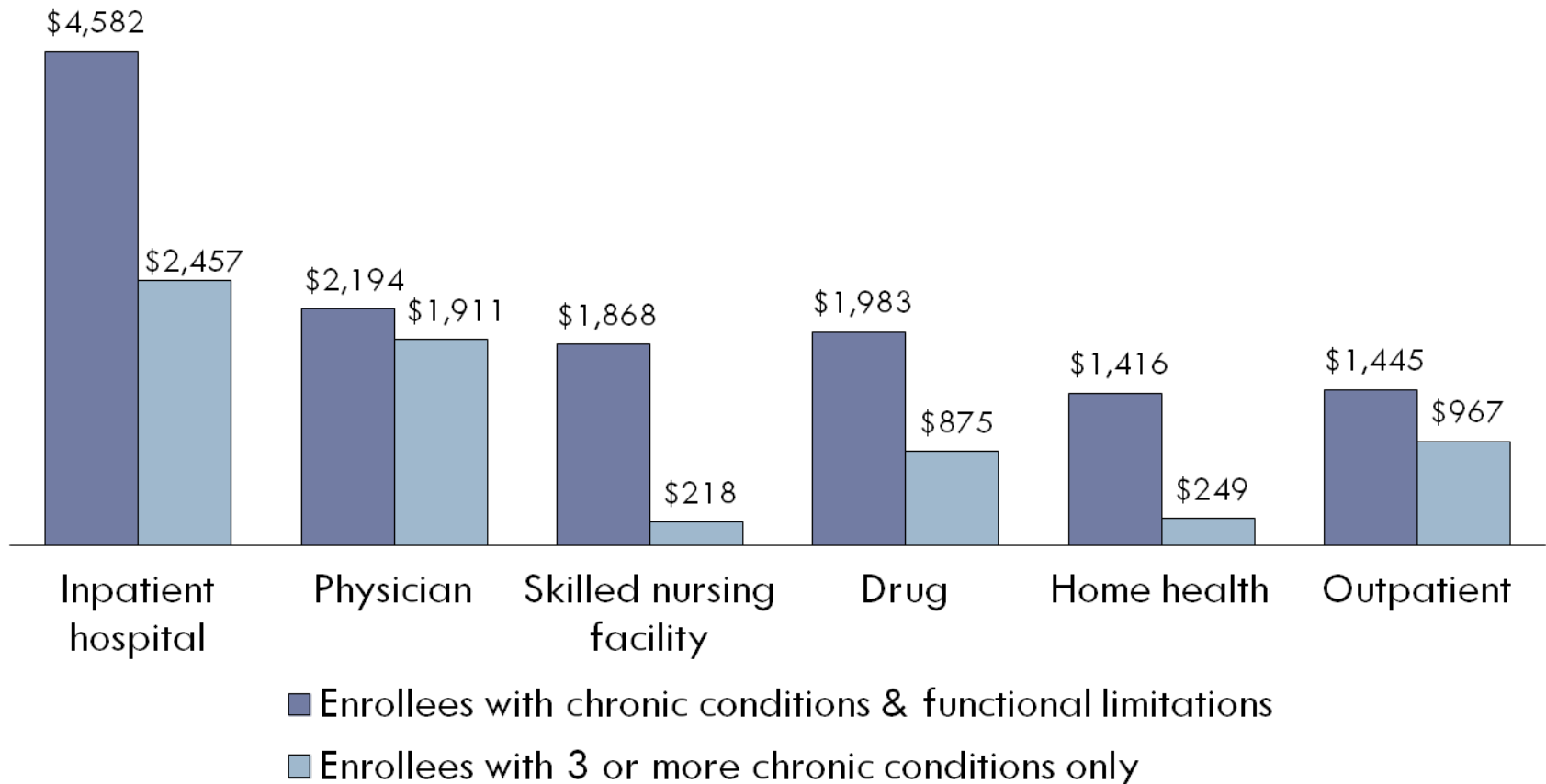
Percent of enrollees using each type of service during the year



Higher hospital and post-acute spending are the largest sources of higher spending for enrollees with chronic conditions and functional limitations

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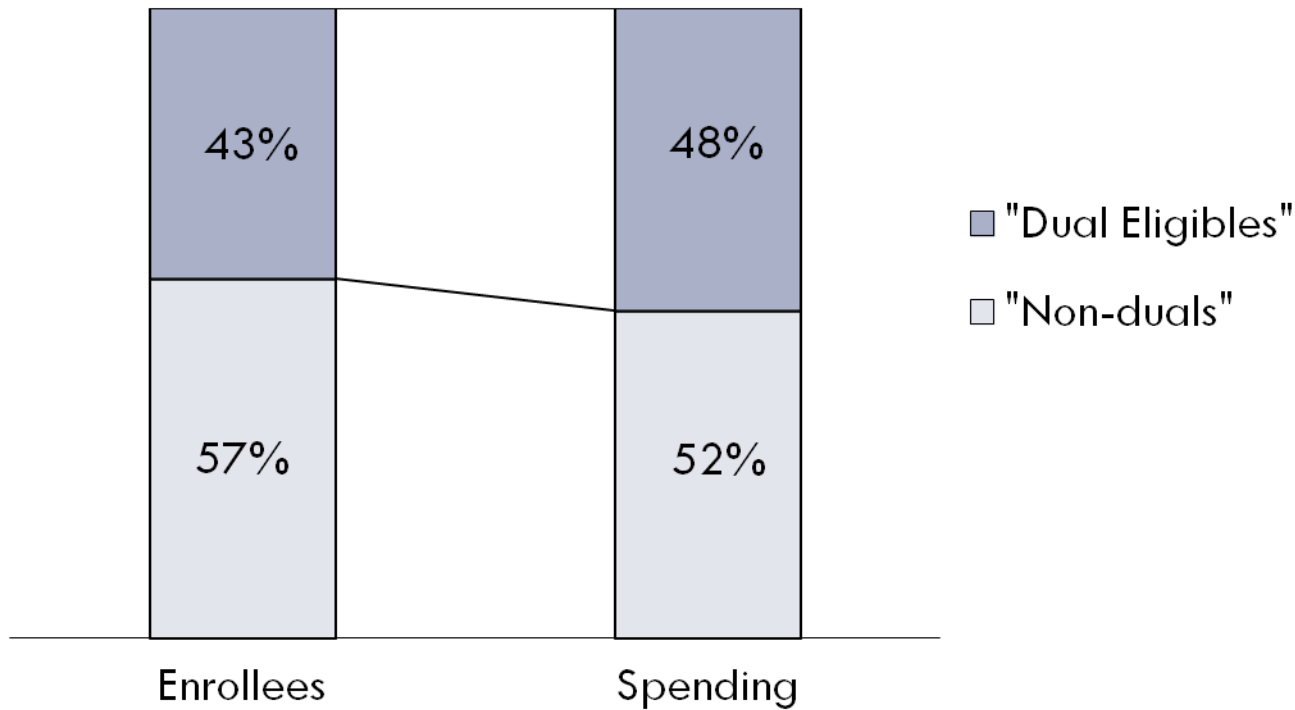
Average annual Medicare spending per person for selected types of services



Source: H. Komisar & J. Feder, *Transforming Care for Medicare Beneficiaries with Chronic Conditions and Long-Term Care Needs: Coordinating Care Across All Services*, The SCAN Foundation, October 2011.

Dual eligibles are fewer than half of Medicare enrollees with chronic conditions and functional limitations

Distribution of Medicare enrollees with chronic conditions and functional limitations and their Medicare spending, by dual eligibility



Source: H. Komisar & J. Feder, *Transforming Care for Medicare Beneficiaries with Chronic Conditions and Long-Term Care Needs: Coordinating Care Across All Services*, The SCAN Foundation, October 2011.

Promising models provide a path for coordination in primary care

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- A core of comprehensive primary medical care
- Assessment of patients' long-term care needs, including caregiver assessment
- Coordination of long-term care as well as medical care
- Ongoing collaboration between care coordinators and primary care physicians
- An ongoing relationship between care coordinators and patients and family
- Attention to supporting patients during transitions between care settings
- Commitment to “person-centered” care, and
- Monthly per-person payments to cover coordination costs Medicare does not cover.

Evidence shows that it's possible to reduce hospital use, nursing home admissions, and costs; and improve quality of care.

A focus on people with impairment is needed

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- Failure to target people with chronic conditions and functional limitations risks missing the opportunity to learn what works best for these high-cost Medicare beneficiaries.
- Interventions should:
 - ▣ Focus on people who need long-term care
 - ▣ Coordinate services across the continuum to take account of their long-term care needs along with their medical needs
 - ▣ Accommodate the varied size and capacity of primary care physician practices, and
 - ▣ Improve upon, but not replace, the fee-for-service payment system.

Key features

- Within target population, zero in on people most at risk of preventable hospital use, in order to maximize impact on unnecessary and costly care;
- Allow different approaches—both networks that hire and manage care coordinators and coordinators employed by physicians' practices—to maximize participation;
- Pay monthly amounts per enrolled patient, sufficient to support coordinators and other currently uncovered care management services;
- Hold providers accountable for savings to offset the care coordination payments and pay providers—who satisfy quality standards—a share of savings if spending is less than projected; and
- Encourage state participation for dual eligibles through shared savings if states, like providers, invest in delivery improvement.

Priority on people who need both medical and long-term care

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- Beneficiaries with chronic conditions and functional limitations, not chronic conditions alone, are disproportionately high Medicare spenders.
- Better coordinating their care—across the spectrum—offers potentially big bang for the buck.
- Initiatives for delivery reform should:
 - Focus on beneficiaries with chronically ill beneficiaries with functional limitations, and
 - Extend care coordination to encompass long-term care.