

Disease Management in Fee-For-Service Medicare

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**Question: Can disease management
work in FFS Medicare?**

**Answer: We need to find ways to make
it work...fast.**

(This message brought to you by MMA, 2003)

Pressures for DM in FFS Medicare

“DM”



Reports of quality failings



**36 million +
beneficiaries**



**\$250 billion+ / yr
(plus Rx costs)**



Chronic diseases

Caution 1: “Disease Management” Label

Intensive
Case
Management

Coordinated
Care

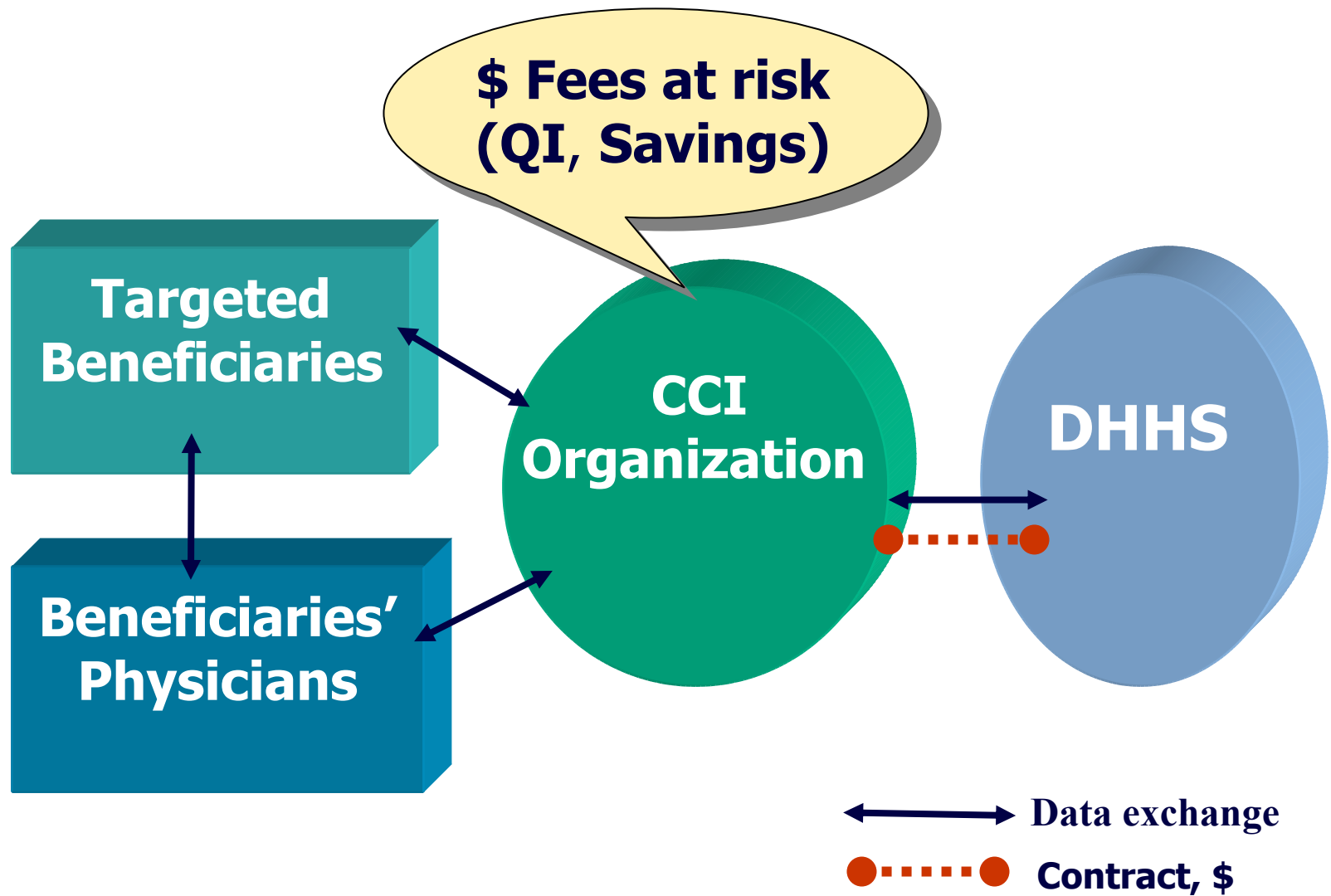
Care
Management

Patient Self-
Care Support

Population
health

- We are just beginning to learn what types of interventions work for whom and when
- Not a recipe, not a program

New “Chronic Care Improvement” Strategy*



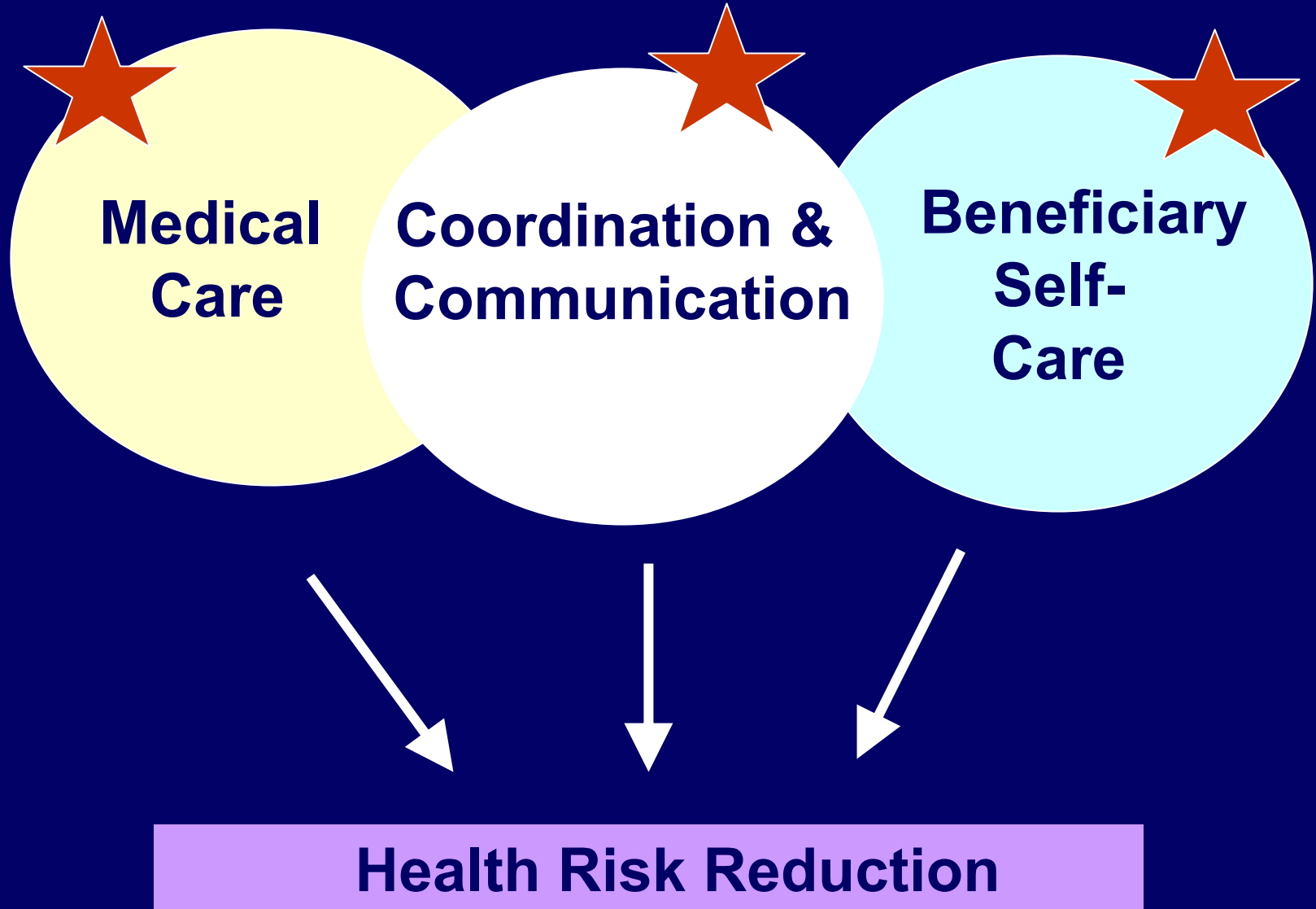
*Section 1807 of P.L. 108-173, Medicare Modernization Act of 2003

Population-Based CCI Program Structure

- **Sets measurable goals for prospectively identified target populations**
- **Ties payment to performance (QI, savings, satisfaction) at population level**

***Section 1807 of P.L. 108-173, Medicare Modernization Act of 2003**

Broad Scope of CCI Support Functions



Caution 2: How is success defined?

DHHS ANNOUNCES SUCCESS OF SELF-CARE SUPPORT PROGRAMS UNDER FFS MEDICARE

- Randomized controlled trials showed self-care support programs improved health outcomes and reduced Medicare claims costs for selected target populations.
- Adherence to evidence-based treatment guidelines increased.
- Rates of hospitalization and emergency room visits decreased.
- Sophisticated data analysis tools and expert clinical systems were used to support program operations.

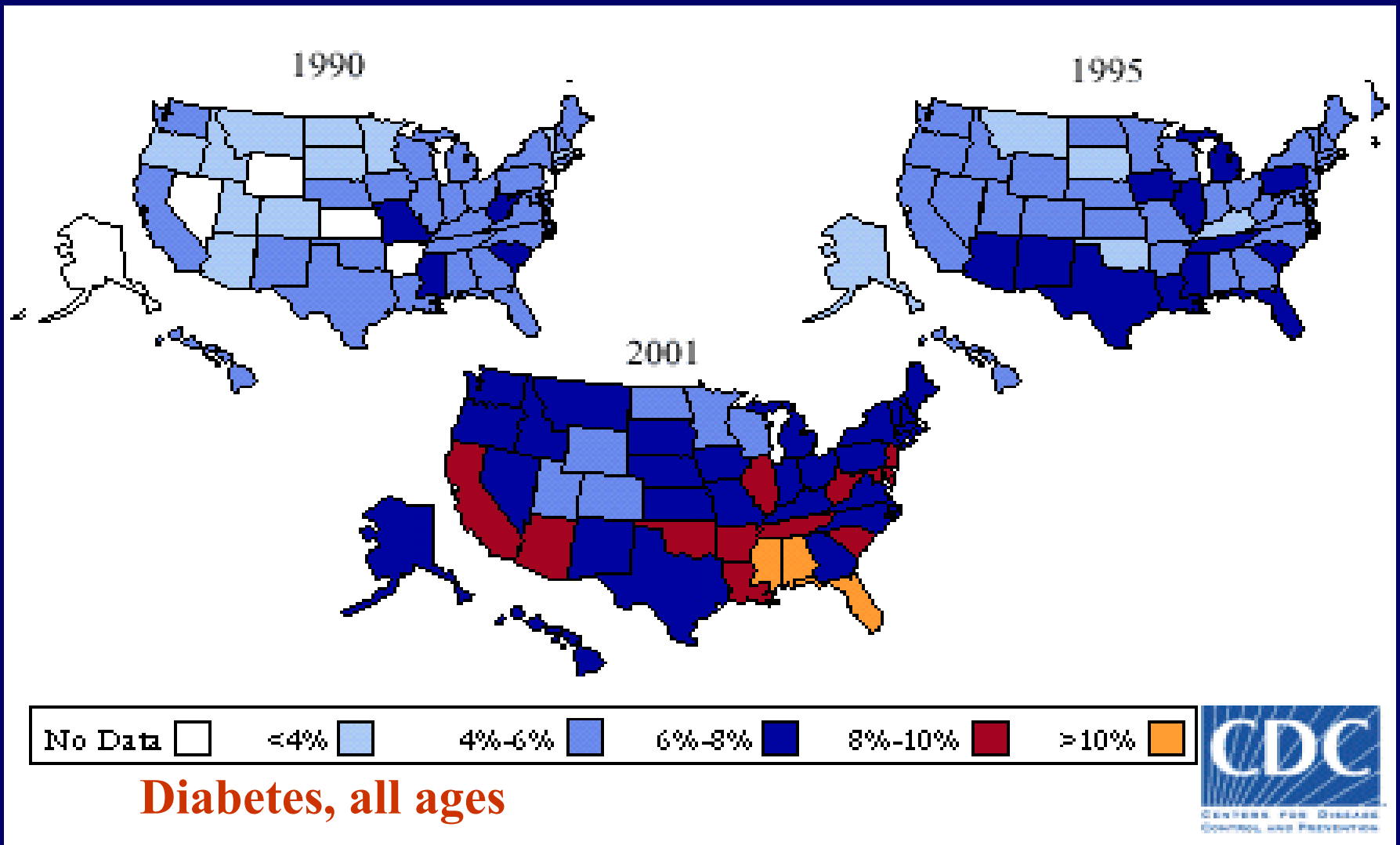
CCI Success (cont'd)

- Consumer satisfaction was high.
- Programs were acceptable to physicians.
- New integrative infrastructure was created to reduce fragmentation in delivery system.
- Programs focused on patient total health.
- Programs were adaptable, scalable and replicable nationally.
- Quality and cost outcomes were sustainable over time.
- Administrative model worked and showed how, when & for whom interventions were effective.
- Business model (fees at risk) was successful.
- Programs were effective in dually eligible populations.

Pitfalls

- Program design features (e.g., targeting)
- Selection of CCI awardees & contractors
- Development of CMS program infrastructure
- Scope, scale, and speed of development
- Challenges related to diffusion of innovation
- Conduct of randomized controlled trials
- Evaluation of highly complex programs
- Clear communications with stakeholders
- Managing expectations

Prevalence of Major Chronic Diseases Increasing Rapidly



**Question: Can disease management
work in FFS Medicare?**

**Answer: “One must learn by doing the
thing, for though you think
you know it, you have no
certainty until you try.”**

(This message brought to you by Sophocles, 400 B.C)*

*Rogers, Everett M. *Diffusion of Innovation*, Fifth Edition. New York: Free Press. 2003. 168.

Quality Failings Widespread

43% of patients did not receive recommended care.

Diabetes: 55%

CHF: 36%

McGlynn et al, NEJM, June 2003.

Physician organizations use less than one-third of the care management processes (CMPs) surveyed.

Casalino et al, JAMA, January 2003.

The quality of care was no better in higher-spending regions, and access to care was slightly worse.

Fisher et al, Ann Int Med, February 2003.