# Medicare Is Demonstrating A Focus on Chronic Illness

BY JOYCE FRIEDEN
*Associate Editor, Practice Trends*

WASHINGTON — Medicare has a number of demonstration projects underway to help chronically ill beneficiaries get better care, and is developing more, Linda Magno said at a meeting of the Practicing Physicians Advisory Council.

Beneficiaries with chronic illnesses are a significant part of the program's budget, said Ms. Magno, director of Medicare demonstrations for the Centers for Medicare and Medicaid Services (CMS). Although beneficiaries with five or more chronic conditions make up only 20% of all beneficiaries, they account for two-thirds of Medicare spending, she noted.

With all of the spending on this population, opportunities exist for making sure the money is spent more efficiently, Ms. Magno said. Currently, CMS has three demonstration projects going in chronic care:

▶ **Medicare Coordinated Care Demonstration.** In this project, which was mandated by the Balanced Budget Act of 1997, the agency is examining various care coordination models that "improve quality of services to chronically ill beneficiaries and reduce Medicare expenditures." The Health and Human Services Secretary has discretion to continue or expand projects, Ms. Magno said, adding that currently 11 sites—a mix of urban and rural hospitals and long-term care facilities—are involved in this demonstration. Interventions include patient and provider education, prescription drug management, case management, and disease management.

▶ **Care Management for High-Cost Beneficiaries.** This 3-year, six-site project began last October; the last site was launched in June, Ms. Magno said. The provider groups in the demonstration put their Medicare reimbursement at risk in exchange for guaranteeing a 5% cost savings in caring for the high-cost beneficiaries involved. Services provided include physician and nurse home visits, in-home monitoring devices, electronic medical records, caregiver support, patient education, preventive care reminders, transportation services, and 24-hour nurse telephone lines.

▶ **Physician Group Practice Demonstration.** This demonstration was mandated in the Benefits Improvement and Protection Act of 2000, and involves giving additional payments to providers based on practice efficiency and improved management of chronically ill patients. Participants include 10 very large multispecialty group practices nationwide with a total of more than 5,000 physicians, who care for more than 200,000 Medicare beneficiaries. The project focuses on patients with diabetes, heart failure, coronary artery disease, and hypertension. Enrollment in this project has been "very slow," Ms. Magno said.

Two more chronic disease management demonstrations are in various stages of development. The Medicare Care Management Performance Demonstration, for example, is a pay-for-performance program that will reward physicians financially for achieving quality benchmarks for chronically ill patients and for using health information technology, including using it to report quality measures electronically. This project, which is in final review, will be implemented in Arkansas, California, Massachusetts, and Utah, Ms. Magno said.

Also in development is the Medicare Health Care Quality Demonstration. This involves using payment models that give incentives for improving the quality, safety, and efficiency of care, and incorporating things like best practice guidelines, shared decision making, and cultural competence into the practice. "This [project] is really a provider-driven opportunity to redesign the delivery system, as opposed to something externally imposed through insurers and other payers," she said. "The goal is to achieve projects designed to implement Institute of Medicine aims for improvement" known as the STEEEP principles—safety, timeliness, effectiveness, efficiency, equity, and patient-centeredness.

PPAC member Dr. Carlos Hamilton said the demonstration projects "raise issues so profound that they go to the very core of our health care system." He suggested that many of the beneficiaries on whom Medicare spends more than $25,000 per year are probably in the last year of their lives, and that needless "ping-ponging" occurs when they are sent from the nursing home to the emergency department to the intensive care unit for, say, a case of sepsis.

"Addressing concerns about palliative care and end-of-life issues is critical if you're ever going to address the cost factors in terms of the overall health care system. If you can keep people from being transferred from the nursing home to the emergency [department] and the ICU in the middle of the night, you'll probably save a billion dollars right there."

Ms. Magno agreed and noted that CMS is developing a separate demonstration project dealing with beneficiaries who are nursing home residents. The goal of the project would be "to avoid 'avoidable' hospitalizations, and to reward nursing homes for better managing care," she said.

The other issue, said Dr. Hamilton, an endocrinologist who is executive vice president for external affairs at the University of Texas, Houston, has to do with lack of coordination of care for chronically ill patients.

"The primary care physician has been reduced to such a role in the system that nobody wants to [coordinate care] any more, and those that do quickly find out they can't afford to do that very effectively. So the system needs to strengthen the role of primary care physicians."

PPAC member Dr. Jeffrey Ross, a Houston physician and podiatrist, asked why CMS wasn't looking more at preventive measures.

Ms. Magno noted that the "Welcome to Medicare" visit that new beneficiaries receive was meant to allow physicians to do a patient risk assessment and discuss preventive measures. ■

## POLICY & PRACTICE

### IM/FP Demand Up Again

Internists and family physicians top hospital and medical groups' list of most-requested doctors, according to a report from physician search firm Merritt, Hawkins & Associates. The company tracked close to 3,000 of its permanent, full-time physician search assignments from March 31, 2005, to April 1, 2006. In that period, the company fielded more requests for internists and family physicians than for any other type of physician; compared with the previous year, requests were up 46% for internists and 55% for family physicians. Requests for primary care physicians fell in the 1990s and early 2000s, but began to move back up last year, reaching the top this year, according to Merritt, Hawkins. Demand stems from an aging population along with a shortage of internal medicine subspecialists, the company said.

### New Drugs: Confidence Drops

Physicians, pharmacists, and consumers are losing confidence in the safety of new drugs and are developing a preference for older ones, a study conducted by Forrester Research on behalf of Medco, a pharmacy benefit management company, suggests. Of physician respondents, 70% expressed increased concern about the safety of the drugs they prescribe "due to recent issues affecting several prescription drugs on the market." One in three physicians said new or recently approved prescription drugs are less safe than drugs that have been on the market for 10 years or more, as did 29% of consumers and 26% of pharmacists, Medco said in a statement. Direct-to-consumer marketing features new drugs, so it is not surprising that consumer concerns about prescription drugs would focus on newer ones, said Duane Kirking, Ph.D., director of medication use, policy, and economics at the University of Michigan College of Pharmacy, Ann Arbor. In an interview, Dr. Kirking said Medco is the only PBM that strongly promotes generic drugs; PBMs usually make more revenue from handling newer drugs. The Medco survey, conducted in the first quarter of 2006, involved 3,200 U.S. respondents, including 2,000 consumers, 300 practicing physicians, 450 retail pharmacists, and 450 health benefit administrators.

### Pick a Card, a Uniform Card

Medical practice administrators are seeking more uniformity in the information, appearance, and technology of patient identification cards, in an effort to eliminate errors and reduce claim rejections. A machine-readable card is the goal, and the Working Group on Electronic Data Interchange (WEDI) has been refining guidelines previously developed by the American National Standards Institute. WEDI, a broad-based healthcare industry coalition with information technology projects, recently received support for its efforts from the Healthcare Administrative Simplification Coalition, a public/private partnership aimed at reducing the administrative costs and complexity of health care. The coalition is composed of the Medical Group Management Association, the American Academy of Family Physicians, and others. Meanwhile, the Kansas City–based Mid-American Coalition on Health Care developed voluntary guidelines for standardizing patient ID cards. For example, the card must not have logos or other nonmember information obscuring text, must be printed on a durable material such as plastic, and should be easy to photocopy.

### Clinical Trial Participation

Physicians who participate in a pharmaceutical company–sponsored trial are more likely to prescribe the sponsor's drug than are physicians who did not participate, according to a study by researchers from the University of Southern Denmark and the University of Aarhus, Denmark. But participation in drug trials did not affect adherence to international treatment guidelines, the researchers said in the study published in the Journal of the American Medical Association. The researchers performed a retrospective study comparing the behavior of physicians in 10 general practices who had participated in an AstraZeneca trial of the asthma drug Symbicort (budesonide/formoterol) with the conduct of physicians in 165 practices that were not part of the trial. After 2 years, Symbicort's share of the total prescribed volume of asthma drugs was about 6.7% higher in practices that had participated in the trial than it was in the control practices. Adherence to treatment guidelines, measured by the use of inhaled steroids in asthma patients, improved in both groups by about the same amount.

### CVS Buying MinuteClinic

MinuteClinic, a company that provides certain primary care services to customers at pharmacies and other retail outlets, has been acquired by CVS Corp., parent company of CVS/pharmacy. Currently in 83 locations nationwide (66 of which are in CVS pharmacies), MinuteClinics provide diagnosis and treatment of common conditions such as strep throat and conjunctivitis. Staffed by nurse practitioners and physician assistants, MinuteClinics are "intended to be a supplement, but not a replacement, for a patient's ongoing relationship with a primary care provider," and provide lists of physicians to patients who lack a primary care provider, CVS said in a statement. "The MinuteClinic team has proven they can work collaboratively with physicians and deliver quality care in a convenient, timely, and cost-effective manner," Thomas Ryan, chairman, president, and chief executive officer of CVS, said in the statement. According to the company, MinuteClinic plans to continue operating in CVS pharmacies and other retail locations—including competing pharmacies—and looks to expand to corporate and government offices.

**—Nancy Nickell**