Below please find the Spring 2007 edition of *News from ORDI*, a quarterly publication summarizing recent work undertaken in ORDI and the results we've produced. Highlights from this quarter's *News* include:

- Publication of the Winter 2006-2007 edition of *The Health Care Financing Review*, CMS' journal of information, analysis, and research on a broad range of issues affecting the Medicare, Medicaid, and State Children's Health Insurance programs.

- Release of the *Active Projects Report*, an annual compilation listing the approximately 600 demonstrations, evaluations, and research projects that the Centers for Medicare & Medicaid Services supports in pursuit of better health care for our beneficiaries.

- Current program demonstrations: ORDI is managing a number of ongoing demonstrations for CMS, some of which are summarized below.

- Newly available research reports on such timely topics as physician practice expense geographic adjustment data, Medicare Special Needs Plans, and Systems Change grants.

I hope you find this information useful.

Timothy P. Love
Director, Office of Research, Development, and Information

News from ORDI

Spring 2007

1. *Health Care Financing Review*

Since our last newsletter, ORDI published the Winter 2006-2007 edition of the *Health Care Financing Review*, the agency's journal of information, analysis and research on a broad range of health care financing and delivery issues. The Winter edition of the *Review* examines Health Information Technology, and also includes highlights from the Medicare Current Beneficiary Survey (MCBS). Click here to view the Winter edition. (There are also links on that page to previous issues.)

To request copies of the printed edition, please contact Patty Manger at 410-786-3253.

2. *Active Projects Report*

The 2007 edition of the *Active Projects Report* is now available on our web site. The *Active Projects Report* is a comprehensive guide to CMS's approximately 600 demonstration, evaluation, and research activities, providing a brief description of each project and its status. It also provides the name of the CMS project officer, the awardee, funding, the period of performance and other useful information. It is available online here.

For more information, please contact Jim Beyer at 410-786-6693.

3. Current Demonstrations

- **End Stage Renal Disease (ESRD) Disease Management Demonstration:** In 2006, CMS launched the ESRD Disease Management Demonstration to increase opportunities for Medicare beneficiaries with ESRD to receive integrated health care services through Medicare Advantage (MA) Plans. The demonstrations enroll only ESRD beneficiaries. Three demonstration MA Plans (SCAN Health Plan/DaVita Inc.; Evercare; Sterling Insurance Co./American Progressive Insurance Co./Pennsylvania Life Insurance Co./Fresenius Medical Care Health Plan) are providing disease management services, as well as all Medicare-covered services. The MA plans began enrolling beneficiaries in January 2006.

  CMS contractors (Arbor Research Collaborative for Health and the National Opinion Research Center) conducted six focus groups to

assess patient satisfaction with the demonstration. Enrollees from all demonstrations were included in the focus groups and had been enrolled at least three to six months. Overall, focus group participants were very satisfied with the MA Plans. Patients who described being very pleased with the support services that they were receiving focused on the convenience of having improved access to medications and lower cost medications, as well as help with billing issues. Other participants noted that they rely heavily on their new care managers for a variety of issues. Care management services including nutritional counseling and help with the cost, delivery, and management of medications were aspects of the disease management programs that participants most frequently mentioned as useful.

The demonstration includes a pay for performance feature. Five percent of monthly capitated payments to the demonstration MA plans is withheld and made available if quality performance goals are met. The Quality Incentive Payment (QIP) occurs if there are improvements over previous performance as well as achievement of national targets. Quality measures include outcomes associated with renal dialysis – adequacy of hemodialysis; anemia management; albumin-corrected serum calcium; serum phosphorus; and the method of vascular access.

One of the demonstrations (SCAN Health Plan/DaVita Inc.) had sufficient enrollment for the QIP reconciliation for January to June 2006 and met all of the quality targets. The plan received the full incentive payment. Future QIP calculations will occur every six months until the end of the demonstration in December 2009.

For additional information, please contact Ron Deacon, 410-786-6622, or visit the demonstration website here.

- **Premier Hospital Quality Incentive Demonstration:** This "pay for performance" demonstration was established with about 250 hospitals in 38 states associated with Premier, Inc., a large hospital organization that includes a quality measurement and monitoring group. The demonstration is designed to determine if economic incentives to hospitals are effective at improving the quality of inpatient care. The value-based demonstration has shown proof that "Pay for Performance" really works to improve the quality of health care at hospitals. The second-year results of the demonstration showed that improvement was achieved across the board in five clinical focus areas, measured using more than 30 nationally recognized quality indicators. The average improvement in the project's second year was 6.7 percentage points, for total gains of 11.8 percent over the first 2-years. For high quality of care in the second year of the demonstration, 115 top-performing hospitals received incentive payments

totaling $8.6 million. The Premier demonstration was extended for another three years, through Fiscal Year 2009. Lessons from the Premier demonstration will be used to help inform the CMS plans for Medicare value based purchasing proposal to Congress.

For more information on this demonstration please contact Kathy Pirotte at 410-786-6774 or visit the demonstration's website here.

4. New Research Reports Published

- "The Collaborative Demonstration-Based Review of Physician Practice Expense Geographic Adjustment Data Required under Section 605 of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003," by Jesse M. Levy, Ph.D., Office of Research, Development, and Information, CMS.

  Description: *This Report to Congress, mandated under Section 605 of the Medicare Prescription Drug Improvement and Modernization Act of 2003, reviews alternative sources of data for establishing the geographic index for the practice expense component of the Medicare physician fee schedule. It addresses concerns about the adequacy of the data underlying the geographic practice cost index (GPCI) used for physician payment and the appropriateness of the resulting index, particularly in rural areas. Two physician payment localities were selected for a focused review of the issues raised by using the GPCI for physician payment: Iowa and Maine. The study did not endorse any existing data alternatives to the GPCI, but recommended that CMS continue to assess ways to enhance the validity and reliability of its geographic adjustments for payment.*

  The report is available here.

  For more information, contact Jesse Levy at 410-786-6600.

- "Medicare Special Needs Plans: Lessons from Dual-Eligible Demonstrations for CMS, States, Health Plans, and Providers," by Walter Leutz, Ph.D., Brandeis University, under CMS Contract 500-00-0031/03.

  Description: *The report highlights five areas of the Medicare Special Needs Plans' experience:*

  1. *Enrollee characteristics and utilization*
  2. *Medicare and Medicaid payment*

3. *Contracting for and managing community care services*
4. *Coordinating acute care and community care*
5. *Marketing to people with special needs*

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The report is available here.

For more information, contact Bill Clark at 410-786-1484.

- Design of Evaluation Options of the Systems Change Grants. Final Report. Walsh, E.; Greene, A.; and Kaganova, Y. RTI, International. Contract Number 500-00-0044 Task Order # 3.

  Description: *Under the Systems Change grant program, the Centers for Medicare & Medicaid Services (CMS) has awarded about $240 million since 2001 in approximately 300 separate grants to states and Independent Living Centers. A review of the 2001 awards indicates that there are no direct measures readily available to evaluate the Systems Change grant program as a whole, or specific types of grant activities, due to the diversity of grants in goals and scope and timing and a lack of quantitative data about grant activities. In addition, many grants lay the groundwork for change that will not affect the service system in the short run, for example, developing new waivers or creating new service delivery options (Walsh, Greene, and Brown, 2000). However, virtually every state is engaged in long-term care reforms and systems change activities that should ultimately prevent or delay institutionalization and facilitate return to the community for beneficiaries who have institutional stays. This report details the use of admission and discharge assessment data from the Nursing Home Minimum Data Set (MDS) to observe state variation and changes over time in the profile of new entrants to nursing facilities and in discharge destinations. The results are used to make inferences about the strength of the home and community based system and states' progress in moving towards long-term care reform.*

  This report is available here.

  For more information, contact Susan Radke at 410-786-4450.

- Study Regarding Barriers to Participation of Farmworkers in Health Programs. DHHS Report to Congress.

  Description: *Section 404 of the Health Care Safety Net Amendments of 2002 (P.L. 107-251) required the Secretary of Health and Human Services to conduct a study on the problems experienced by farmworkers and their families under Medicaid and SCHIP, including the barriers migrant and seasonal farmworkers face in accessing health services through Medicaid and SCHIP, and the lack of*

portability of Medicaid and SCHIP coverage for farmworkers who are determined eligible in one state but who, due to the seasonal nature of their work, periodically move to other states.

The legislation also specified that the report examine possible solutions to the problems identified in order to increase enrollment and access to benefits for farmworkers, including:

- *Interstate compacts;*
- *Demonstration projects;*
- *Use of current law flexibility;*
- *National migrant family coverage;*
- *Public-private partnerships; and*
- *Other possible solutions.*

The report includes information on only the first five of these areas, because no other possible solutions were identified. This report offers many potential areas for further program policy development that could lead to improving migrant farmworker Medicaid and SCHIP eligibility which States may wish to explore in the future. It also includes options to facilitate portability within and across States. The report was submitted to Congress in December, 2006

The report is available here.

For more information, contact Bill Clark at 410-786-1484.

- The Evaluation of the Medicare Coordinated Care Demonstration: Findings for the First Two Years. Interim Report. Brown, R.; Peikes, D.; Chen, A.; Ng, J.; Schore, J.; Soh, C. MPR, Inc. Contract Number 500-95-0047 Task Order # 9.

Description: The Medicare Coordinated Care Demonstration (MCCD), congressionally mandated in the Balanced Budget Act of 1997, is testing whether various program models of case coordination/disease management for targeted conditions can improve patient outcomes and well-being, as well as lower costs, in the fee-for-service population, compared to 'usual care' controls.

This report provides findings for these 15 programs over the first 25 months of operation. Findings include program-specific estimates of impacts from: survey-based measures of patients' health status, knowledge, behavior, satisfaction with their health care, quality of care, and quality of life; physician provider survey of satisfaction during the second year; and claims-based measures of patients' Medicare service use and expenditures. Early findings indicate that patients and their physicians were generally very satisfied with the

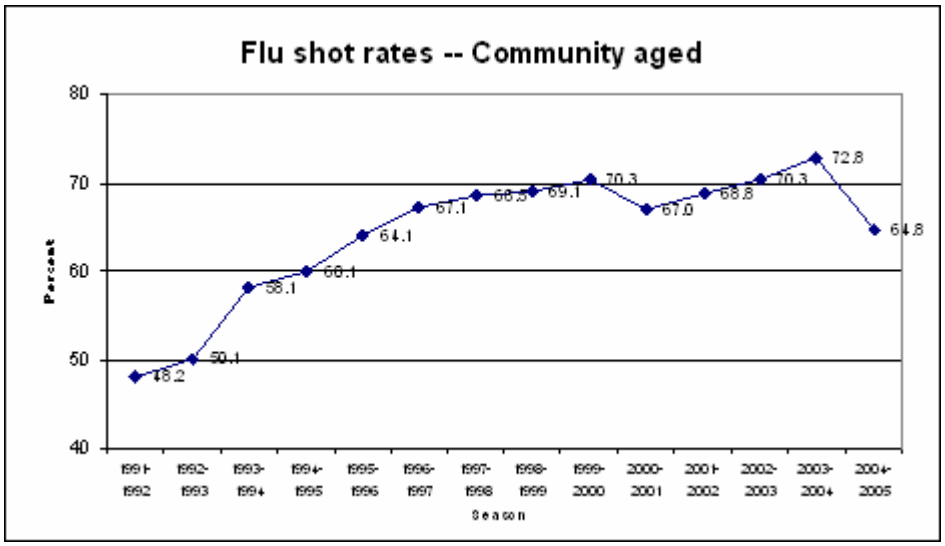
program. However, there were very few statistically detectable effects on patients' health behaviors or use of Medicare services.

The report is available here.

For additional information, contact Carol Magee at 410-786-6611.

5. MCBS 2005 Access to Care File is released; drop in flu shot rates found

ORDI has released the first data file for the 2005 Medicare Current Beneficiary Survey (MCBS), known as the Access to Care file. A striking finding is the decline in the rate of influenza immunization among aged beneficiaries living in the community, from 72.8 percent in 2004 to 64.8 percent in 2005. This interrupts a steady increase from the initiation of the survey in 1991, when the rate was 48.2 percent. The growth in the flu shot rate is considered an achievement of CMS and the Department, and is tracked as one of CMS's GPRA goals. *The search for a cause of the sudden decline in the 2004-2005 season points to the interruption of vaccine supply in that year, and is confirmed by the MCBS data on reasons for not getting a flu shot*: 28.1 percent of beneficiaries who did not get the shot said the reason was that the vaccine was unavailable or in short supply. This is an increase from the 5.6 percent who gave that reason in 2004.



For additional information, please contact Gerry Adler, 410-786-7938.

Previous ORDI listserv newsletters are available here.

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More information on research activities at CMS is always available here.