

## DEPARTMENT OF HEALTH & HUMAN SERVICES

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### Public Affairs Office

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## MEDICARE NEWS

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### **HHS ANNOUNCES AWARDS FOR PROGRAMS TO IMPROVE QUALITY OF CARE FOR MEDICARE BENEFICIARIES WITH CHRONIC ILLNESSES**

HHS Secretary Tommy G. Thompson today announced the selection of nine organizations to operate three-year pilot programs to help people living with multiple chronic illnesses manage their conditions and coordinate their care.

“This initiative will help hundreds of thousands of seniors and disabled Americans with chronic illnesses to stay healthier and receive higher quality care,” Thompson said. “Too often, seniors with serious chronic illnesses move from doctor to doctor for their specific health problems without any single doctor getting a full picture of their needs. These new programs will give them the support they need to better manage their conditions and stay healthy.”

Awardees chosen to operate the programs are Aetna Health Management, which will provide services in Chicago, Illinois; American Healthways, Inc. which will serve the District of Columbia and Maryland; CIGNA HealthCare which will serve Georgia; Health Dialog Services Corporation, which will serve Pennsylvania; Humana, Inc., in Central Florida; Lifemasters Supported SelfCare in Oklahoma; McKesson Health Solutions in Mississippi; Visiting Nurse Service of New York Home Care in partnership with United HealthCare Services, Inc. - Evercare, which will serve Queens and Brooklyn in New York City; and XLHealth Corp. in Tennessee. The programs will test a variety of interventions to bring about improvements in clinical quality, beneficiary and provider satisfaction and reduced costs.

Mark B. McClellan, M.D., Ph.D., administrator of the Centers for Medicare & Medicaid Services (CMS), which will oversee the Voluntary Chronic Care Improvement Program, said the programs will be phased in beginning in spring, 2005.

“Until now, the people in this country who have the most to gain from proven approaches to prevent complications from chronic illnesses have had the least access to these services,” McClellan said. “We are strengthening the traditional fee-for-service Medicare program with a new program to help address the problems that arise when health care is fragmented and not oriented toward prevention. That means supporting and improving physician/patient relationships, providing physicians with timely and accurate information on their patients’ status, and helping patients carry out the plans of care that their physicians prescribe.”

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Chronic conditions are a leading cause of illness, disability, and death among Medicare beneficiaries and account for a disproportionate share of health care expenditures. For example, about 14 percent of Medicare beneficiaries have congestive heart failure but account for 43 percent of Medicare spending. About 18 percent of Medicare beneficiaries have diabetes, accounting for 32 percent of Medicare spending.

The development of these new programs is authorized by the Medicare Modernization Act of 2003 (MMA). The nine programs announced today will reach about 180,000 beneficiaries who are enrolled in traditional fee-for-service Medicare and who have multiple chronic health conditions including congestive heart failure or complex diabetes.

The areas to be served have higher than average prevalence of diabetes or congestive heart failure among Medicare beneficiaries. They represent a mix of rural and urban areas and include ethnically and culturally diverse populations. The awardees have tailored their programs to meet the needs of the Medicare beneficiaries in the areas they will serve.

Beneficiary participation will be completely voluntary and will not affect beneficiaries' access to services or their ability to choose their doctors and other health care providers. Their Medicare benefits will not change as a result of receiving these additional health support services. The programs will be available at no charge to participants.

Each program will offer self-care guidance and support to chronically ill beneficiaries to help them manage their health, adhere to their physicians' plans of care, and ensure that they seek and obtain Medicare-covered benefits that will help reduce their health risks. The specific types of quality improvement and cost reduction strategies to help beneficiaries with chronic illnesses include:

- Access to nurse coaches to help people cope with their health concerns
- Tracking and reminders of individuals' preventive care needs
- Use of health information technology to give physicians timely access to their patients' information
- Home monitoring equipment to track participant health status, as needed
- Prescription drug counseling
- Home visits and intensive case management, when needed

The programs will include collaboration with participants' providers to enhance communication of relevant clinical information. They are intended to help increase adherence to evidence-based care, reduce unnecessary hospital stays and emergency room visits, and help participants avoid costly and debilitating complications.

"As we take new steps to prevent the complications of chronic illnesses, we are also taking new steps to reorient Medicare's payments so that innovative approaches to keeping our beneficiaries healthy and lowering health care costs are supported," added Dr. McClellan. "These new programs will retain their fees only if they improve quality and satisfaction, and lower Medicare health care costs."

The programs will have flexibility to customize their interventions to individuals' personal needs. The programs will be paid a monthly fee per person, but program performance will be monitored and the programs will retain all their fees only by achieving performance standards for quality, satisfaction and cost

The awardees were selected from many applicants who proposed to participate in the pilot phase of the program. Medicare expects to expand chronic care improvement models that enhance quality and lower costs, with the goal of providing access to successful programs to all eligible beneficiaries.

More information about the program is available at <http://www.cms.hhs.gov/medicarereform/ccip>.

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