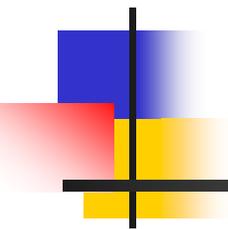


CMS Research Update

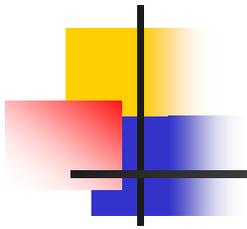


Thomas W. Reilly, Ph.D.
Acting Deputy Director

Office of Research, Development, and Information

June 3, 2007



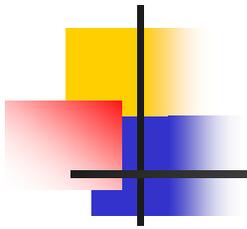


Overview

Background on R&D at CMS

CMS R&D agenda

Looking forward



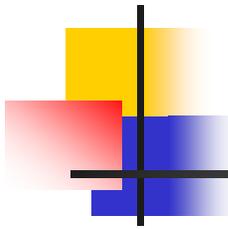
Activities Supported by the CMS Research Budget

Research studies to support the design of
new policy initiatives

Development, implementation and evaluation
of demonstrations to test innovations

Program evaluations and research studies to
monitor, assess, and refine current CMS
programs

Development of data infrastructure to
enhance research capacity



Examples of Past CMS Research Contributions

Prospective payment systems

Inpatient and outpatient hospital

Skilled nursing facilities

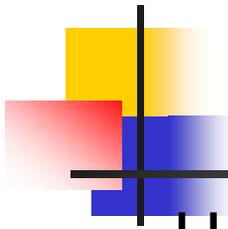
Home health

Inpatient rehab, psych, LTC hospitals

Physician fee schedule

Capitated payment with risk adjustors for
Medicare Advantage and Part D plans

DME competitive bidding



Return on Investment

Hospital PPS

R&D investment: ~\$13 million

Return: OACT estimates that provision saved \$25 billion over 10 years

SNF PPS

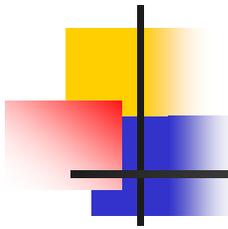
R&D investment: ~\$10 million

Return: CBO estimated at enactment that provision would save \$32 billion over 10 years

DME competitive bidding

R&D investment: ~\$4.7 million

Return: CBO estimated at enactment that provision would save \$6.8 billion over 10 years



How We Get Work Done

Research contracts

- Open solicitations

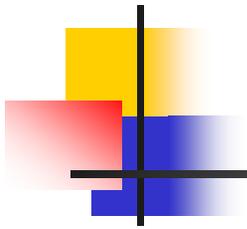
- Medicare and Medicaid Research and Demonstrations task order contracts (MRAD) – 15 contractors

- Small Business Research and Demonstrations task order contracts (XRAD) – 6 contractors

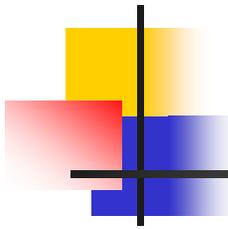
Internal CMS research

- Limited grant programs

- Support external researchers by providing CMS data



CMS R&D Agenda



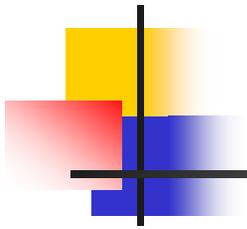
Drivers of the CMS R&D Agenda

Congressional mandates

Administration initiatives/priorities

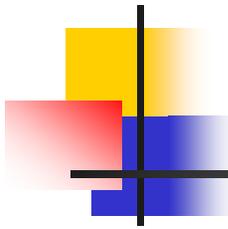
CMS component ideas or needs for
information/analyses

Interests of the broader health
research community



Key CMS Research Themes

1. Expand value-driven health care
2. Improve the health of our beneficiaries
3. Assess the Medicare prescription drug benefit
4. Develop fee-for-service payment & delivery systems
5. Enhance beneficiary choices & managed care options
6. Strengthen Medicaid, SCHIP, and state programs
7. Build research capacity



1. Expand Value-Driven Health Care

Pay-for-performance

Hospitals

Physicians

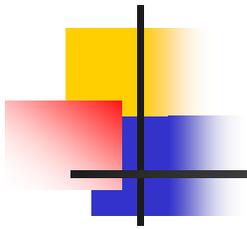
Nursing homes

Home health agencies

ESRD facilities

Research on measuring provider efficiency

Gainsharing



2. Improve the Health of Our Beneficiaries

Chronic care and disease management

See session on “Lessons from CMS Disease Management Initiatives,” Monday, 2:30-4:00, for detailed discussion of CMS work in this area

Health promotion and disease prevention

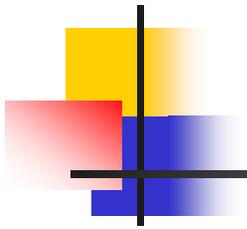
Senior Risk Reduction Demonstration

Health disparities

Cancer Prevention and Treatment

Demonstration for Ethnic & Racial Minorities

HBCU/Hispanic Research Grants Program



3. Assess the Medicare Prescription Drug Benefit

Enrollment

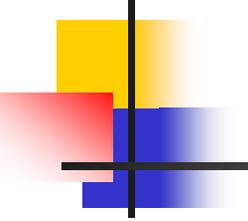
Study of Best Practices for Enrolling Beneficiaries in the Low Income Subsidy

Payment refinement

Study of Geographic Variation in Prescription Drug Spending for Risk Adjustment

Program impact

Study of the effects of Part D on Parts A & B Spending



4. Develop Fee-For-Service Payment and Delivery Systems

Develop and refine prospective payment systems

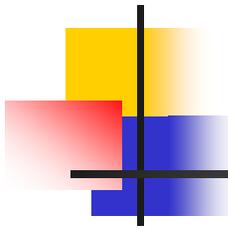
Post Acute Care Payment Reform
Demonstration

Competitive bidding for selected Part B services

DME competitive bidding program evaluation
Clinical Lab Competitive Bidding Demonstration

Bundled payments

ESRD Bundled Payment Demonstration



5. Enhance Beneficiary Choices and Managed Care Options

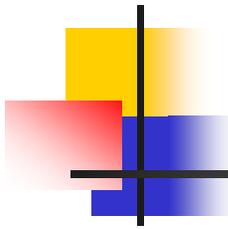
New managed care options

Medical Savings Account Program Evaluation

Managed care options for special
populations

Evaluation of Medicare Advantage Special
Needs Plans

ESRD Disease Management Demonstration



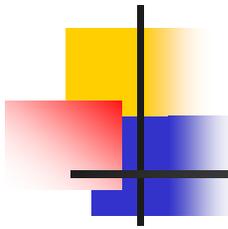
6. Strengthen Medicaid, SCHIP, and State Programs

Research and evaluation

Home and Community-Based Services
Evaluation

Research on the Transition of Dual Eligibles to
Part D

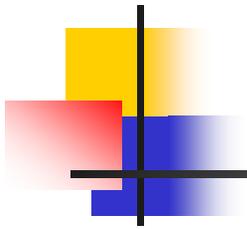
Program statistics



7. Build Research Capacity

Our goal is to build research capacity by making CMS administrative and other data available and understandable for health services researchers, within the limits of privacy restrictions and resource constraints

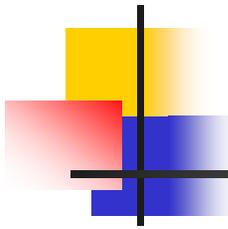
See session on “CMS Databases,” Monday, 9:00-10:30, for detailed description of CMS work in this area



7. Build Research Capacity

Primary approaches include:

- a. Develop research-oriented data files
- b. Provide information and assistance to researchers
- c. Improve data distribution process



7. Build Research Capacity

a. Develop research-oriented data files

Medicare Current Beneficiary Survey (MCBS)

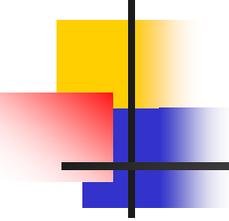
Medicare Health Outcome Survey (HOS)

Linkages of Medicare data to Surveillance,
Epidemiology, and End Results (SEER) registries

Part D data (stay tuned...)

Medicaid Analytic eXtract (MAX)

Chronic Condition Warehouse (CCW)



7. Build Research Capacity

b. Provide information and assistance to researchers

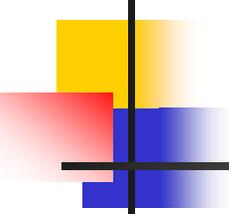
Research Data Assistance Center (ResDAC)

Assists in development of file formats for core research files

Develops researcher friendly documentation

Training and liaison with research community

Assists with the development of all requests for CMS identifiable data



7. Build Research Capacity

c. Improve data distribution process

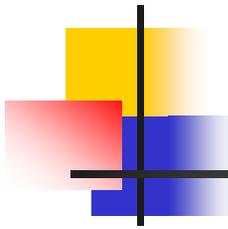
Current approval & data distribution process

Researcher brings initial query to ResDAC

ResDAC recommends appropriate data sources
and explains how to request data from CMS

Researcher submits research protocol and Data
Use Agreement to CMS

For requests for identifiable data, CMS Privacy
Board reviews protocol and approves release of
data (or not).



7. Build Research Capacity

c. Improve data distribution process

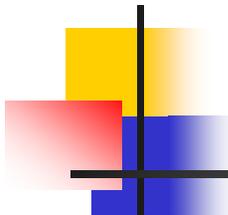
Current approval & data distribution process, continued

CMS signs Data Use Agreement

CMS notifies researcher of approval. Researcher issues payment to CMS.

CMS authorizes the data distribution organization to release the data

Data distribution organization creates the specified file with appropriate encryption/protection and sends it to the researcher



7. Build Research Capacity

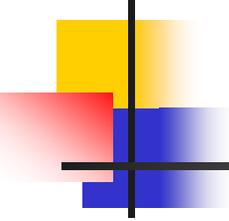
c. Improve data distribution processes

Research Data Distribution Center pilot (RDDC)

This pilot will determine whether an outside data distribution contractor can efficiently provide CMS data to external researchers, identify CMS operational issues and resolutions, identify contractor operational issues

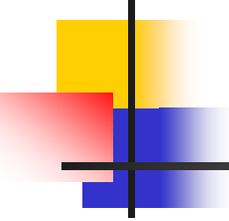
Potential advantages to researchers include quicker turnaround, greater flexibility in data formats, ability to produce databases oriented toward researcher needs

We will re-examine options for data distribution next year

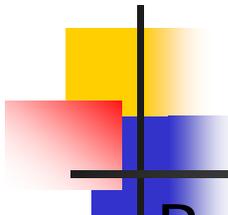


Summary of Current Research Themes

1. Expand value-driven health care
2. Improve the health of our beneficiaries
3. Assess the Medicare prescription drug benefit
4. Develop fee-for-service payment & delivery systems
5. Enhance beneficiary choices & managed care options
6. Strengthen Medicaid, SCHIP, and state programs
7. Build research capacity



Looking Forward



Demographic Projections

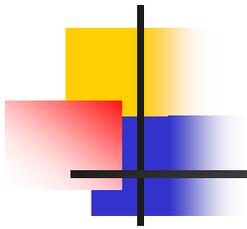
Baby boomers (those born between 1946 and 1964) will start turning age 65 in 2011

This will lead to a dramatic increase in the older population during the 2010-2030 period

The population age 65+ in 2030 is projected to be twice as large as their counterparts in 2000, growing from 35 million to over 71 million

In 2030, the population age 65+ will represent nearly 20% of the total U.S. population

From 2030 onward, the proportion age 65+ will be relatively stable at around 20%

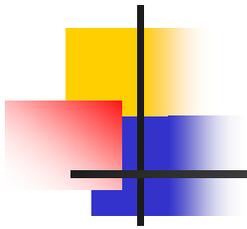


Demographic Projections

The oldest-old population is projected to grow rapidly after 2030, when the Baby Boomers move into this age group

The population age 85+ could grow from about 5 million in 2005 to nearly 21 million in 2050

In their 2007 report, the Medicare Trustees estimate that the HI Trust Fund will be insolvent in 2019



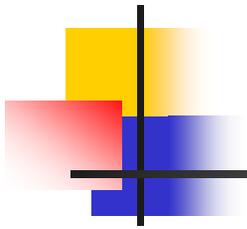
Question for the Group

The “silver tsunami” is coming

We need to explore and test innovations to help the Medicare and Medicaid programs adapt

CMS resources are increasingly constrained, we need to prioritize our R&D investments

If you were in our shoes, what research would you focus on going forward?



My contact Information

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