The Medicare Case Management Demonstrations studied the appropriateness of providing case management services to beneficiaries with catastrophic illnesses and high medical costs. It tested case management as a way of controlling costs in the fee-for-service sector. These demonstrations were implemented in three sites beginning October of 1993, and continued through November 1995. The target conditions and case management protocols differed in each site, though all three generally focused on increased education regarding proper patient monitoring and management of the target chronic condition.

**Evaluation Highlights:**
The evaluation by Mathematical Policy Research found that:

1. the projects successfully identified and enrolled populations of Medicare beneficiaries likely to have much higher than average Medicare reimbursements during the demonstration period,
2. each project met with unexpectedly low levels of enthusiasm for the demonstration from beneficiaries and their physicians, and
3. despite high levels of satisfaction among the high cost, chronically ill beneficiaries who eventually participated, the projects failed to improve client self-care or health, or reduce Medicare spending. Comparisons of health status, functional status, and expenditures between the control and intervention groups showed no improvements due to the case management intervention.

The evaluation suggested the following primary reasons for the lack of outcome and cost impacts:

- Client's physicians were not involved in the interventions. Most physicians wanted little interaction with the case manager, and few opportunities for constructive rapport developed.
- The projects did have not sufficiently focused interventions. There was little explicit guidance built into the intervention on the types of activities the case managers should concentrate on, how often clients at different levels of severity should be contacted and monitored, or the content of the education provided.
- Projects lacked staff with sufficient case management expertise and specific clinical knowledge to generate the desired reductions in hospital use. The case managers often did not have comprehensive experience/background in the specific target disease and in community-based care or case management.
- Projects had no financial incentive to reduce Medicare spending. The intervention had no target outcomes upon which manager reimbursement was based. Since physicians played almost no role in these interventions, there was no incentive for more efficient use of services for the actual providers of care.