

Below please find the Winter 2008 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:

- Release of the Winter 2007-2008 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 (SCHIP) programs.
- Release of the 2007 *Health Care Financing Review: Medicare and Medicaid Statistical Supplement*, along with the 2007 *Data Compendium*.
- Online availability of the 2008 *Active Projects Report*, an annual compilation listing the demonstrations, evaluations, and research projects that CMS supports in pursuit of better health care for our beneficiaries.
- Program demonstrations and research projects. ORDI is developing and managing a number of demonstrations and research projects for CMS, some of which are summarized below.

I hope you find this information useful. For additional ORDI-related information, please visit our [web site](#).

Timothy P. Love

Director, Office of Research, Development, and Information



## News from ORDI

Winter 2008

### **1. Health Care Financing Review**

Since our last newsletter, ORDI released the Winter 2007-2008 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 theme of this edition is Health Care Sector Productivity. In addition to articles addressing issues of both physician and hospital productivity, there is an article examining Medicare payment for outpatient services in hospitals versus ambulatory surgery centers, and a highlight reviewing characteristics of the diabetic and non-diabetic Medicare population, drawn from data collected in the 2004 Medicare Current Beneficiary Survey . 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. Health Care Financing Review: Medicaid & Medicare Statistical Supplement**

The 2007 edition of the annual *Statistical Supplement* is now available on the CMS web site. The *Statistical Supplement* includes tables showing health expenditures for the entire U.S. population, characteristics of the covered populations, use of services, and expenditures under these programs. The 2007 edition, as well as earlier editions, is available [here](#).

For more information, please contact Debbie Kidd at 410-786-7204.

## **3. Data Compendium**

The *Data Compendium* is an annual publication providing key statistics about CMS programs and health care spending. The *Compendium* contains historic, current, and projected data on Medicare and Medicaid enrollment, expenditures, and utilization. Data pertaining to budget, administrative, and operating costs, individual income, financing, and health care providers and suppliers are also included. Both the current edition of the *Compendium* and editions from previous years can be found [here](#).

For more information, please contact George Lintzeris at 410-786-0166.

## **4. Active Projects Report**

The 2008 edition of the *Active Projects Report* is now available on our web site. The *Active Projects Report* is a comprehensive guide to CMS' 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.

## **5. Current Demonstrations and Research Projects**

### **Medicare Home Health Pay for Performance Demonstration**

CMS, with the assistance of Abt Associates, is implementing a Home Health Pay-for-Performance demonstration to determine the impact of incentive payments to Home Health Agencies (HHAs) for improving the quality of care of Medicare beneficiaries who receive home health services. The demonstration began January 1, 2008, and will be conducted for 3 years in Connecticut, Massachusetts, Illinois, Alabama, Georgia,

Tennessee, and California. In all, 570 home health agencies volunteered to participate in the demonstration.

The demonstration will determine the impact of offering incentive payments to HHAs for improving the quality of care rendered to Medicare beneficiaries when such quality care results in reduced need for additional services and, consequently, reduces cost. An incentive pool will be generated out of savings accrued from the reduction in the use of more costly Medicare services. The pool will be shared with home health agencies that produced the highest level of patient care or produced the greatest improvement in patient care as measured by seven OASIS measures.

- Incidence of Acute Care Hospitalization
- Incidence of Any Emergent Care
- Improvement in Bathing
- Improvement in Ambulation / Locomotion
- Improvement in Transferring
- Improvement in Management of Oral Medications
- Improvement in Status of Surgical Wounds

Additional information and updates can be found at the [demonstration web site](#) or you can contact Jim Coan at 410-786-9168.

### **Prevention Data on CMS Website**

CMS has posted information on beneficiary use of Medicare preventive benefits at the national, state, and county level on the CMS website.

Prevention is one important element in an overall federal effort to promote value in health care for people with Medicare. Despite the fact that Medicare covers a comprehensive package of preventive benefits, there is a prevention gap between the available benefits and their utilization. Fewer than one in 10 Medicare beneficiaries receives all recommended Medicare screenings and immunizations.

Researchers, health professionals, and others interested in learning about the use of preventive services can view information on the use of Medicare preventive benefits by going [here](#) and clicking on the links on the left side of the screen for “Medicare Claims Data” and “Self-Reported Data.”

Data from Medicare claims for calendar years 2005 and 2006 are featured in an interactive database that allows users to examine the use of many preventive services at the national, state, and county level, and by demographic groups at the national and state level. Information on the use of preventive services from various surveys is also available for downloading.

It is important to note that there are limitations in the accuracy of both Medicare claims and self-reported data, in that claims tend to under-report use of services, while self-

reported data tends to over-report use. However, these data sources can be helpful in examining trends in the use of services over time. A “Data User’s Guide” is available for downloading and explains some of these limitations. CMS plans to make future refinements to include information on the use of other Medicare preventive benefits.

Questions, comments, and suggestions regarding information on the use of preventive services should be sent to [prevention@cms.hhs.gov](mailto:prevention@cms.hhs.gov).

### **Senior Risk Reduction Demonstration**

CMS recently announced awards for the Medicare Senior Risk Reduction Demonstration, which will evaluate whether health promotion and disease prevention programs currently offered in the private sector can be delivered by the Medicare program to encourage beneficiaries to engage in healthy lifestyles and practices that can help them maintain and improve their health, and reduce the need for health care services for preventable illnesses, injuries, or complications.

The five organizations selected through a competitive process are Health Dialog Services Corporation, Focused Health Solutions, Health Partners Health Behavior Group, Pfizer Health Solutions Inc., and StayWell Health Management. These organizations will provide health risk assessments followed by tailored feedback reports to help participants identify their health risks and inform them of ways they can improve their health. Participants will receive health education and behavior change materials, and health coaching, provided on an ongoing basis using their preferred communication method, either through the mail, telephone, or internet. Participants will also receive referrals to national and local programs, such as physical activity, falls prevention, smoking cessation, and other types of health promotion programs, or if needed, referrals to their physician for recommended clinical preventive services.

Approximately 85,000 fee-for-service Medicare beneficiaries randomly selected from across the country will be invited to participate in the three-year demonstration, 17,000 per demonstration organization. A one-year pilot to ensure that all processes are fully operational will begin in April 2008, with the demonstration beginning recruitment in October 2008.

Information on the Medicare Senior Risk Reduction Demonstration can be found [here](#).

## **6. New Research Reports**

### **“Medicare Part D Payment Demonstration: Site Visit Final Report”**

In September 2005, RTI began a 3 1/2 year contract to study the 5-year Medicare Part D payment demonstration, which allows plans to choose alternative payment approaches for

offering prescription drug coverage. The expectation was that reinsurance subsidies would increase enhanced alternative coverage options.

This site visit report is a summary of findings from 10 site visits to participating local, regional, and national plan sponsors across the country, to better understand their experiences, reasons for participation, implementation challenges, service area selection, benefit design, marketing, and enrollment issues. Site visits were based on a detailed discussion protocol submitted to the sites in advance. In addition to almost universal support for the demonstration, the key findings were: (1) The alternative reinsurance financing provided by the demonstration allowed for better enhanced benefits or lower premiums; (2) The demonstration did not have any real effects on implementation, marketing, or education strategies; (3) Organizations were waiting to determine the demonstration's financial success, mainly because there was more adverse selection for demonstration products than expected. The full report is available [here](#).

For more information, please contact: Aman Bhandari at (410) 786-2313.

#### **“Medicare Part D Payment Demonstration: Focus Group Final Report”**

As described in the write-up above for the “Medicare Part D Payment Demonstration: Site Visit Report,” in September 2005, RTI began a 3 1/2 year contract to study the 5-year Medicare Part D payment demonstration, which allows plans to choose alternative payment approaches for offering prescription drug coverage. The expectation was that reinsurance subsidies would increase enhanced alternative coverage options.

The purpose of the study was to evaluate differences and similarities between enrollees in demonstration and non-demonstration plans and their experiences thus far. The focus group report is based on 12 groups of beneficiaries from four locations: New York, NY, West Palm Beach, FL, Los Angeles, CA, and Greybull, WY. The key findings were: (1) Demonstration plan enrollees were much more aware of a range of choices, especially among basic and enhanced benefit packages; (2) Demonstration plan enrollees were generally more knowledgeable about Part D plan benefit details; (3) Demonstration plan enrollees, based on self-report, were on average healthier and consumed fewer drugs compared to non-demonstration enrollees. All beneficiaries across focus groups indicated that the Part D program was confusing and thought the coverage gap should be eliminated. However, beneficiaries felt they were eventually able to get needed medications. The full report is available [here](#).

For more information, please contact: Aman Bhandari at (410) 786-2313.,

#### **“Evaluation of the Home Health Independence Demonstration: Barriers to a Successful Experiment Were Multi-faceted, and Difficult Policy Issues Remain” by Valerie Cheh, Nancy Duda, Barbara Lepidus Carlson, and Karen CyBulski, Mathematica Policy Research, Inc.”**

Legislation in 2003 mandated that CMS undertake a 2-year demonstration in which Medicare beneficiaries with specified chronic conditions were deemed to be homebound for purposes of meeting Medicare's criteria for receiving home health services. CMS contracted with Mathematica Policy Research, Inc., (MPR) to conduct an evaluation study. Only 58 beneficiaries enrolled. One goal of the research became explaining the low participation rate. Using multiple methods, including a survey of home health agencies, the study identified a myriad of barriers that apparently hindered a useful test of the demonstration concept. These included low participation among home health agencies, extensive patient eligibility criteria, reduced restrictiveness of the homebound definition due to clarifications in 2000 legislation, and a perception among potential enrollees that Medicaid programs better meet the needs of the long-term severely disabled. This study also revealed that many home health agencies are misinformed about the proper interpretation of the homebound restrictions.

The report is available [here](#). For more information, contact Ann Meadow, Sc.D., at (410) 786-6602.

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Previous Listserv newsletters are available under the heading "ORDI Research News Listserv Archive" [here](#).