

Below please find the Spring 2009 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 Spring 2009 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 Children's Health Insurance (CHIP) programs.
- New research reports.
- 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 [intranet site](#).

Timothy P. Love

Director, Office of Research, Development, and Information



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

Since our last newsletter, ORDI released the Spring 2009 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. This issue includes articles on, among other topics, pay-for-performance in nursing homes, Medicaid consumers and informed decision making, and developing financial benchmarks for critical access hospitals.

Click [here](#) to view the Spring edition, as well as previous issues.

To request copies of the printed edition, please contact Charlotte Smith at x66609.

### **2. *New Research Reports***

#### **Evaluation of Care and Disease Management under Medicare Advantage: Interim Report**

ORDI has contracted with L&M Policy Research to undertake a qualitative assessment of care and disease management (C/DM) programs available through Medicare Advantage (MA) plans, centering around four key aims:

1. **Type of Programs and Models:** To document and characterize the universe of care and disease management programs under MA plans;

2. **Identifying the Target Population:** To document and characterize the populations enrolled in these programs;
3. **Role of the Health Plans:** To characterize how health plans or vendors function in the structure and implementation of care and disease management programs; and,
4. **Evidence of Effectiveness:** To document the range of effectiveness measures (e.g., structure, process, outcomes metrics) used to monitor and provide feedback in these programs, noting any particular findings on program effectiveness.

An interim report containing preliminary results of a literature review, mail survey of MA plans, and interviews with C/DM experts, stakeholders, and patients, is now available. Findings include:

- Telephone is a primary means of contact for communicating with care and DM enrollees, supplemented with written materials and “teachable moments”.
- MA clinical and encounter databases are potentially rich and useful tools, but are often difficult to use because they were developed for other purposes.
- Contact and collaboration with physicians is encouraged, but not always successful, especially for vendors.
- Special Needs Plans (SNPs) make greater use of C/DM services because of case mix, but do not tend to have qualitatively different C/DM programs than non-SNPs.

For more information, please contact Gerald Riley at x66699.

### **Evaluation of the Medicare Care Management Performance (MCMP) Demonstration: Implementation Report**

The MCMP demonstration is a pay-for-performance demonstration with the goal of encouraging physicians who provide primary care in small- to medium-sized practices to use health information technology to improve care and reduce costs for beneficiaries with diabetes, coronary artery disease, congestive heart failure, and other selected chronic diseases. The demonstration started July 1, 2007. Of 699 practices recruited, 640 were participating at the end of year one. This report summarizes first year experiences of a sample of 32 practices (eight in each of the four demonstration States: Arkansas, California, Massachusetts, Utah). Of the 32 practices, 24 (75 percent) were currently using electronic health records (EHRs) to some extent for at least 1 year, and 10 for more than 5 years.

Improving documentation of care was the most common response to the demonstration. Most of the visited practices are interested in more fully using their EHRs for care management, but change can be expected to be incremental and slow. Some reported limitations in their EHR systems. Many lack the ability or the support to customize their EHRs or are waiting for a new or upgraded system. Practices with no plan to implement EHRs gave as reasons: high purchase cost, age of physician, or uncertainty in return on investment. When practices are affiliated with or owned by larger organizations, the larger organizations often control the distribution of incentives to the practices, and heavily influence EHR use, care management, and/or demonstration response. The timing and success of EHR product developments may play a significant role in the pace of change.

For more information, please contact Lorraine Johnson at x69457.

## Evaluation of Second Phase Oncology Demonstration Program

The 2006 Medicare Oncology Demonstration Program entitled, "*Improved Quality of Care for Cancer Patients Through More Effective Payments And Evidence-Based Care*", paid oncologists to capture information relevant to care provided to cancer patients, including their treatment and staging and the range of services they received from their providers based on evidence-based best practices. L&M Policy Research, Inc.,(L&M) was awarded the contract to conduct an evaluation of the 2006 Medicare Oncology Demonstration Program in August 2006.

This report describes how physicians adapted their practices to the oncology demonstration. In addition, the report describes the impact of using evidence-based clinical guidelines to deliver care, and lessons learned for future demonstrations involving specialist physicians. The report findings are based on primary and secondary data from participating oncologists and hematologists and information collected from Medicare claims. Conclusions and recommendations based on the findings from the evaluation are also presented.

### Report findings:

- The survey data and case studies indicate the physician office administrative staff performed a significant role in making decisions to participate in and implement the demonstration;
- Respondents stated that coding and documentation, G-code descriptions, and guidance were not always clear, and suggested pre-testing descriptors and coding instructions in future initiatives;
- Participating physicians generally submitted accurate disease state codes. About four percent of claims appeared to be erroneous;
- The validation analysis suggests that demonstration-reported G-code data, when linked to Medicare claims data, may not accurately reflect the expected patterns of cancer care based on clinical guidelines;
- Expenditures for the oncology demonstration amounted to \$66 million including beneficiary liabilities of approximately \$13 million. Total Medicare expenditures for the 13 cancers included in the oncology demonstration were \$4.7 billion in 2006.

For more information, please contact Pauline Karikari-Martin at x61040.

## Revision of Medicare Wage Index: Final Report – Part I

The Tax Relief and Health Care Act of 2006 (TRHCA) required the Medicare Payment Advisory Commission (MedPAC) to recommend alternatives for revising the hospital wage index. The TRHCA also required CMS to consider MedPAC's work in developing its own recommendations. Acumen, LLC, is conducting an in-depth study of MedPAC's proposed index to assist CMS in meeting the TRHCA requirements. Its Final Report is divided into two parts:

- **Part I**, released in May 2009, examines strengths and weaknesses of the Bureau of Labor Statistics (BLS) Occupational Employment Survey (OES) wage data used to construct the proposed MedPAC index and the hospital cost report data used for the Medicare wage index.
- **Part II**, expected to be completed in late summer 2009, will cover the methodology of wage index construction, with special focus on the problems created by wage area boundaries.

Based on the analyses conducted for the Part I report, Acumen concluded that, on balance, the BLS OES is the preferred source of wage data for the Medicare wage index. Unlike the Medicare wage data which aggregate wages across all occupations within hospitals, the BLS data permit construction of a wage index that is a weighted average of occupational wage rates. Other potential advantages of the BLS compared to the Medicare data are that the BLS data display less variation across wage areas within years and less year-to-year volatility.

For more information, please contact Craig Caplan at X64165.

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

#### **Acute Care Episode Demonstration**

The Acute Care Episode Demonstration will test the effect of bundling payments for episodes of care to improve the coordination, quality, and efficiency of that care. The bundled payments will cover all Part A and Part B services, including physician services, pertaining to an inpatient hospital stay for specified cardiovascular and orthopedic procedures.

Five sites have been selected to participate in this demonstration. On May 1, 2009, Hillcrest Medical Center in Tulsa, Oklahoma, began admitting patients under the demonstration. Baptist Health System in San Antonio, Texas, started on June 1, 2009. The remaining three sites; Oklahoma Heart Hospital in Tulsa, Oklahoma; Lovelace Health System in Albuquerque, New Mexico; and Exempla Saint Joseph Hospital in Denver, Colorado, are making preparations to implement the demonstration.

For more information, please contact Cindy Mason at x66680.

#### **Nursing Home Value-Based Purchasing (NHVBP) Demonstration**

The NHVBP Demonstration is part of the CMS initiative to improve the quality and efficiency of care furnished to Medicare beneficiaries. Under this demonstration, CMS will assess each participating nursing home's quality performance using four domains: nurse staffing, avoidable hospitalizations, resident outcomes based on the minimum data set, and State health inspection surveys. Each year, nursing homes that perform the best or improve the most in terms of quality of care will be eligible for a payment award, subject to financial performance.

This demonstration will be conducted in three States: Arizona, New York, and Wisconsin. Each State will be a separate laboratory for testing the pay-for-performance approach. ORDI recently completed the solicitation process and has selected the participating nursing homes. This 3-year demonstration will begin July 1.

For more information, please contact Ron Lambert at X66624.

#### **Chronic Illness and Reform**

Following the publication of the *Health Affairs* January-February special issue devoted to the crisis in chronic disease, there has been considerable media attention to the issue of chronic care, lessons learned to date, and how those lessons might inform debate on health care reform. The *Boston Globe* quoted ORDI's David Bott while addressing these issues in an [article](#) focused on Massachusetts General's care management program in the

Care for Medicare High Cost Beneficiaries (CMHCB) demonstration. The Massachusetts General care management program in the CHMCB demonstration was extended by CMS in January, 2009.

For more information, please contact Dave Bott at x60249.

### **Medicare Imaging Demonstration**

On May 27, ORDI held a Special Open Door Forum (ODF) in order to solicit stakeholder input for the design and development of the Medicare Imaging Demonstration (MID) project. This Special ODF was a “listening session” in which CMS hoped to gather information from stakeholders about issues that will affect the demonstration’s design and implementation. Thirty-five participants joined staff at CMS and 250 participated by telephone.

This demonstration was authorized by Section 135(b) of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) for the purpose of collecting data regarding physician use of advanced diagnostic imaging services. For purposes of this demonstration, advanced diagnostic imaging services are defined as diagnostic magnetic resonance imaging, computed tomography, and nuclear medicine (including positron emission tomography).

For more information, please click [here](#) see the demonstration website or contact Linda Lebovic at x63402.

### **4. CMS Research Seminars**

ORDI continues to schedule research seminars for CMS staff, at which invited speakers cover a variety of R&D topics. Please contact Jim Beyer, x66693, if you’d be interested in offering a seminar.

### **Seminar on Evaluation of Criminal Background Check Pilot Program**

This seminar was presented by Alan White, Ph.D., Abt Associates, Inc., and Abt subcontractors, Tiffany Radcliff, Ph.D., and David West, Ph.D., from the University of Colorado. The seminar included a presentation on the evaluation of the Criminal Background Check Pilot Program and an opportunity for questions and discussion.

This evaluation was conducted in seven States that instituted or further developed a Criminal Background Check program that included an FBI check for anyone who applied to work in a wide variety of long-term care settings, including home health and personal care providers in some States. Nursing homes and several other long-term care providers were included in all of the States.

While this Congressionally-mandated pilot is now complete, Congress continues to consider legislation regarding this issue.

For more information, please contact Beth Benedict at x 67724.

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Previous Listserv newsletters are available at:

<http://cmsnet.cms.hhs.gov/hpages/osp/documents/listserv/>.