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MEDICARE TO AWARD CONTRACTS FOR DEMONSTRATION PROJECTS TO IMPROVE CARE FOR BENEFICIARIES WITH HIGH MEDICAL COSTS

The Centers for Medicare & Medicaid Services (CMS) today announced the selection of six organizations to operate a three-year demonstration project to help Medicare beneficiaries with complex medical needs improve their quality of life and prevent complications of their illnesses, leading to better health outcomes while reducing their medical expenses. The programs will begin enrolling beneficiaries in the fall of 2005.

"This demonstration project will focus on Medicare beneficiaries who have the most to gain from our health care system but who too often don't get the best possible prevention-oriented care," said CMS Administrator Mark B. McClellan, M.D., Ph.D. "They often see numerous doctors without the continuity of care and support needed to enable the health professionals to work together effectively, and they often are unable to take advantage of evidence-based steps to prevent the complications of their diseases."

The Care Management for High Cost Beneficiaries (CMHCB) demonstration will test the ability of direct-care provider models to coordinate care for high-cost/high-risk beneficiaries by providing such beneficiaries with clinical support beyond traditional settings to manage their conditions and enjoy a better quality of life.

CMS intends to have the following organizations participate in the CMHCB demonstration, pending final agreements.

- ACCENT - a consortium of physician clinics in Oregon and Washington, a home monitoring technology company Health Hero Network and the American Medical Group Association that will care for patients using a technology platform that includes home-based appliances for electronic health coaching and patient monitoring and decision-support tools for providers;

- more –

- Care Level Management – an around the clock physician home visiting program whose services will be provided in select counties in California, Texas and Florida;

- Massachusetts General Hospital and Massachusetts General Physicians Organization – a collaborative effort between the hospital and the physicians will provide care to beneficiaries associated with their programs in counties in the Boston metropolitan area;

- Montefiore Medical Center – an integrated delivery system in the Bronx, New York, will provide a number of care coordination services to beneficiaries who seek care at Montefiore hospital and associated physician practices;

- RMS DM, LLC – a renal disease management organization, will provide care to beneficiaries with chronic kidney disease in Nassau and Suffolk counties on Long Island, New York, to prevent further development of illnesses which may lead to further complications and end-stage renal disease

- Texas Senior Trails – a consortium of Texas Tech University Health Sciences Center, the Texas Tech Physician Associates and TrailBlazer Health Enterprises will coordinate an integrated healthcare delivery program for beneficiaries in 48 counties in the Texas panhandle area

While CMS has a number of planned and ongoing care coordination and disease management demonstrations and programs, the CMHCB demonstration will be the first effort to focus specifically on provider-directed models of care for high-cost fee-for-service Medicare beneficiaries.

"Fragmented care leads to avoidable complications and unnecessary costs despite the best efforts of health care providers in caring for Medicare beneficiaries with complex illnesses," Dr. McClellan said. "This is another effort to support promising approaches to help our beneficiaries get the most innovative, effective care possible as well as reward organizations who provide better quality care at lower costs."

The awardees will receive a monthly fee for each beneficiary participating in the program to cover their administrative and care management costs. However, organizations are required to assume financial risk if they do not meet established performance standards for achieving savings to Medicare. As CMS has done in previous demonstrations that focus on disease management and performance-based payments, contracting with external organizations allows federal investment in care management and care coordination, while assuring that the new programs will not add to Medicare net costs.

Awardees will employ a variety of models including support programs for healthcare coordination, physician and nurse home visits, use of in-home monitoring

devices, provider office electronic medical records, self-care and caregiver support, education and outreach, tracking and reminders of individuals' preventive care needs, 24-hour nurse telephone lines, behavioral health care management, and transportation services. In addition, awardees will have the flexibility to stratify targeted beneficiaries according to risk and need and to customize interventions to the meet individuals' personal needs.

The programs will support collaboration among participants' primary and specialist 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. Beneficiaries eligible for participation in the demonstration will be identified by CMS and will have to meet eligibility criteria outlined by each site.

Beneficiary participation in the programs will be voluntary and will not change the amount, duration or scope of participants' FFS Medicare benefits. FFS Medicare benefits will continue to be covered, administered and paid under the traditional FFS Medicare program. Programs will be offered at no charge to the beneficiary. Organizations chosen for the demonstration will not be able to restrict beneficiary access to care (for example, there can be no utilization review or gatekeeper function) or restrict beneficiaries to a limited number of physicians in a network.

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