

This project tests whether providing coordinated care services to Medicare beneficiaries with complex chronic conditions can yield better patient outcomes without increasing program costs. (See downloads area below for more information: Fact Sheet, Solicitation).

Medicare will test the cost-effectiveness of paying for case management and disease management services under the Medicare Coordinated Care Demonstration. These coordinated care interventions will supplement routine care for chronically ill beneficiaries.

Historically, a small proportion of Medicare fee-for-service beneficiaries has accounted for a disproportionate share of Medicare expenditures. These beneficiaries often suffer from one or more chronic illnesses and require repeated costly hospitalizations. They typically receive fragmented health care across multiple health care providers and multiple sites of care. Moreover, providers may not follow evidence-based guidelines, and patients may not know how to care best for themselves. As the population ages, the number of chronically ill beneficiaries is expected to grow dramatically, with serious implications for Medicare program costs.

The Medicare Coordinated Care Demonstration, authorized by the Balanced Budget Act of 1997, will target beneficiaries with chronic conditions that represent high costs to the Medicare program, such as asthma, diabetes, congestive heart failure and related cardiac conditions, hypertension, coronary artery disease, cardiovascular and cerebrovascular conditions, chronic lung disease, cancer and other chronic conditions.

Beneficiaries will receive comprehensive care planning, patient education, and ongoing monitoring between doctor visits to improve self-care, identify complications early, avoid costly hospitalizations, and better coordinate treatments and medications for multiple illnesses and conditions. In addition, some of the projects will offer participating beneficiaries additional benefits aimed at removing barriers to prompt medical care, such as coordinating with community-based services, transportation, assistance with medications, non-covered home visits, and medical equipment. Beneficiaries will not have out-of-pocket costs for the demonstration services.

Fifty-eight applicants submitted proposals by the October 11, 2000 application deadline. CMS announced the selection of 15 demonstration sites in January 2001.

The demonstration was implemented on a rolling basis starting April 1, 2002. All 15 demonstration sites are now in operation. (See downloads area below for more information: Medicare Fact Sheet, Press Release, Program Memorandum, Solicitation, Executive Summary, Full Report, Request for Information, Section 4016 of the Balanced Budget Act of 1997).