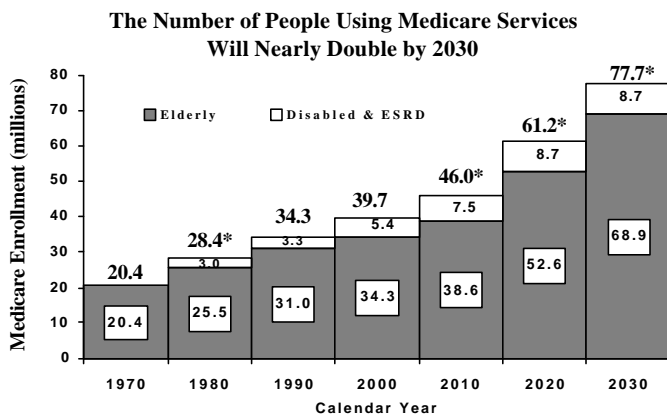


## Theme 4: Future Trends Influencing Our Programs

CMS performs environmental scanning, identifying, evaluating, and reporting emerging trends in health care delivery and financing, and their interactions with Agency programs. Our research and evaluation projects study the effect on beneficiaries, providers, plans, States and other partners and customers. Projects are designed to assess potential improvements and develop new measurement tools. For example, we identify trends in health care delivery and assess the impact of long-term structural reforms necessary to address major demographic changes in the beneficiary population. Specific projects in this area include examining the demographics of future Medicare beneficiaries and considering the effect of “healthy aging;” assessing the effect on quality of life, health and services as beneficiaries move into “deinstitutionalized” settings; assessing long term growth assumptions for health expenditures, identifying the impacts of possible eligibility changes and of potential changes in health status, technology, and the marketplace; examining prescription drug expenditures and savings from alternative reimbursement policies based on different discount rate and price schedules used by other payers, and testing the use of purchasing polices including competitive bidding and rebate mechanisms; analyzing various potential changes in the benefit package; and examining how our payment systems affect adoption of new technology.



\*The total number of beneficiaries may not equal the sum of the two categories due to rounding.

Source: CMS, Office of the Actuary.

### 01-148 Costs for Providing Health Care to Undocumented Persons

**Project Officer:** Arthur Meltzer  
**Period:** September 2001–September 2002  
**Awardee:** United States/Mexico Border Counties Coalition  
**Funding:** \$300,000

**Description:** This project will estimate the costs in public, private and not-for-profit hospitals in the 24 U.S. counties bordering Mexico that provide emergency medical care and transportation services to undocumented persons who do not qualify for

Medicaid. Innovative policies that may lower the cost to treat undocumented persons and survey the types of emergency medical care provided by hospitals and emergency transportation carriers to undocumented persons will be identified. This project may be limited to a descriptive analysis using existing data sources of the provision of emergency care in the undocumented alien population and a thorough review of the existing literature, laws and policies pertaining to this subject.

**Status:** This newly initiated project is in the startup phase.

### 01-213 Market Area Selection Criteria and Data Development for Medicare Fee-for-Service Reform

**Project Officer:** David Skellan  
**Period:** September 2001–September 2002  
**Awardee:** Research Triangle Institute, (NC)  
**Funding:** \$233,887

**Description:** This project will provide a foundation for a centralized system of collecting and maintaining market area characteristics and information that is needed to better understand market conditions that are crucial in targeting these new initiatives to ultimately assure that Medicare beneficiaries and the program as a whole will benefit. Potential new payment and service

delivery models identified include: coordinated care, disease management, Centers of Excellence, better collaboration with providers and physicians, and competitive acquisition.

**Status:** The report contains detailed work plans, personnel assignments and schedules, and an outline and proposed content for the interim and final reports.

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#### 02-065 **Healthy Aging: Senior Risk Reduction Program**

**Project Officer:** Pauline Lapin  
**Period:** September 2002–November 2003  
**Awardee:** MEDSTAT Group (DC)  
**Funding:** \$996,590

**Description:** The Senior Risk Reduction Program (SRRP) demonstration will test a new approach to health promotion using health risk appraisal programs. The goal is to determine if national implementation of the SRRP as a new Medicare program reduces health risks, improves self-efficacy, is cost neutral or saving, and whether participants report high levels of satisfaction with such a program.

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#### 01-258 **Lessons Learned from State Medicaid and Pharmacy Assistance Programs**

**Project Officer:** Cheryl Austein-Casnoff  
**Period:** September 2001–September 2002  
**Awardee:** American Management Systems  
**Funding:** \$463,576

**Description:** This project describes State innovations in addressing the cost and access to pharmaceuticals for low income individuals. It has two activities 1) assessing the impact and effectiveness of current Medicaid State program on providing affordable access to necessary prescription medications, and 2) identifying State models for low income elderly patients and describing how these programs relate to State Medicaid programs. The overall goal is to better understand how States manage their Medicaid and State-only pharmaceutical programs and to share lessons learned from their experiences.

**Status:** This project is in the startup phase.

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#### 02-061 **The Impact of Prescription Drug Coverage on Medicare Program Expenditures: A Case Study of the Evaluation of the United Mine Workers' Demonstration**

**Project Officer:** Jennifer Shapiro  
**Period:** September 2002–September 2003  
**Awardee:** Abt Associates  
**Funding:** \$181,763

**Description:** The purpose of this project is to conduct preliminary analytic work to explore the feasibility of identifying a control group using Medicare administrative data to assess the impact of comprehensive prescription drug coverage on Medicare Part A and Part B expenditures.

**Status:** To Accounting May 16, 2002.

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#### 01-053 **Iowa Senior Discount Prescription Drug Demonstration Project**

**Project Officer:** Ronald Deacon  
**Period:** March 2001–September 2002  
**Awardee:** Iowa, Department of Public Health  
**Funding:** \$1,000,000

**Description:** This demonstration project uses a mercantile prescription drug purchasing cooperative or non-profit "buying club" corporation to reduce the burden of prescription costs on Iowa seniors. Approximately 274,000 seniors 65 or older do not have an insured drug benefit and are not enrolled in Medicaid. The 2001 budget contains a line for an award (\$1,000,000) for this project. The State plans to implement the project in late 2001. The co-op/buying club negotiates discounts or rebates with pharmaceutical companies for the cost of the drug and discounts that are passed along to the consumer. The project supports beneficiary's choosing a lower cost but therapeutically equivalent medication if recommended by a physician or pharmacist. The key elements of the demonstration include marketing, pharmacist involvement, senior pledge/commitment, pharmacy benefit manager, pharmaceutical and

therapeutics committee, physician involvement, education, and drug utilization review.

**Status:** The 2001 budget contains a line for an award (\$1,000,000) for this project. Iowa requested and received an additional \$500,000 from CMS to partially subsidize the enrollment fee, lowering it from \$40 to \$20. The project began enrollment in the Fall 2001 and operation in January 2002.

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#### 00-115 Assessment of Medicare Prescription Drugs and Coverage Policies

**Project Officer:** Peri Iz, Brigid Goody  
**Period:** September 2000–July 2002  
**Awardee:** Research Triangle Institute, (NC)  
**Funding:** \$202,527

**Description:** The purpose of this project is to assemble and analyze recent fee-for-service and managed care plan data on Medicare spending for prescription drugs, as well as comparable data from other public and/or private payers. Using these data, the project will estimate possible financial effects of alternative Medicare payment policies for drugs currently covered by statute. This study will estimate current expenditures and possible savings from alternative reimbursement policies based on different discount rate and price schedules used by other payers, as well as examine other purchasing policies including competitive bidding and rebate mechanisms.

**Status:** This project was completed in July 2002.

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#### 02-077 Prescription Drug Coverage in Medicaid: Using Medicaid Claims Data to Develop Prescription Drug Monitoring and Analysis

**Project Officer:** Rosemarie Hakim  
**Period:** September 2002–September 2004  
**Awardee:** Mathematica Policy Research, (DC)  
**Funding:** \$394,890

**Description:** The purpose of this project is to build a baseline capability to easily access information contained in Medicaid claims files for 1999. This includes creating summary tables, descriptive statistics, and graphics of utilization and expenditures of prescription drugs. Analyses involve drug utilization and expenditures in the context of State policies regarding use of generics, formularies, and restrictions on numbers of prescriptions.

**Status:** This activity is expected to result in a peer-reviewed paper.

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#### 99-035 Analysis of Medicare Beneficiary Baseline Knowledge Data Using MCBS

**Project Officer:** Sherry Terrell  
**Period:** June 1999–June 2002  
**Awardee:** University of Wisconsin - Madison  
**Funding:** \$229,123

**Description:** The purpose of this project was to analyze Medicare beneficiary baseline program knowledge data collected through the Medicare Current Beneficiary Survey (MCBS) in CY 1995-1997 and CY 1998 to determine data usefulness for program evaluation. The program objective was to evaluate National Medicare Education Program (NMEP) print material (Handbook: 1999 and Bulletin) and selected information distribution channels (print, Internet, 1-800-MEDICARE). The policy objective was to support HCFA strategic plan initiatives, contribute to Government Performance and Results Act program performance reporting, and provide feedback for monitoring and continuous quality improvement of NMEP informational materials directed to the Medicare population over time.

**Status:** This project has been completed. In Phase I data analyses, several working measures of beneficiary Medicare program knowledge were constructed, validated and used to develop MCBS supplemental knowledge questions. In the Phase II analyses of CY 1998 data, these knowledge indexes were used to compare beneficiaries' program knowledge across program and policy variables of interest. Although only 24 percent of respondents reported reading all or some of the Medicare&You 1999 Handbook or Bulletin,

these beneficiaries had significantly higher program knowledge scores, approximately 5 to 7 percentage points, than did those who did not read the handbook (bulletin). For each of the NMEP goals examined—access, awareness, understanding, and use—reading the 1999 handbook made a difference. Paper copy and microfiche copies of the final reports may be ordered from the National Technical Information Service by referencing the following NTIS accession numbers:- Analysis of Medicare Beneficiary Baseline Knowledge Data from the Medicare Current Beneficiary Survey: Knowledge Index Technical Note" (May 2000) PB2001-102026- Analysis of Baseline Measures in the Medicare Current Beneficiary Survey for Use in Monitoring the National Medicare Education Program: Final Phase One Report (November 2000) PB2001-104030.- Analysis of the 1998 Medicare Current Beneficiary Survey for Use in Monitoring the National Medicare Education Program: Phase Two Final Report (December 2000) PB2001-102747. Electronic copies of the above reports are also accessible from the CMS web page at <http://www.cms.hhs.gov/researchers/projects/>.