

Committee on Ways and Means

Medicare Prescription Drug and Modernization Act of 2003

Chronic Care Management Proposal

Individuals with multiple chronic conditions are more likely to be hospitalized, have more physician and home health visits, and fill more prescriptions for drugs.

Because Medicare is simply a payer of bills when seniors get sick, the program does not help beneficiaries manage their chronic diseases to stay well or to reduce program costs.

- 84% of Medicare beneficiaries have one or more chronic conditions.
- 62% have two or more conditions.
- Individuals with chronic conditions account for 78% of all health care spending.
- Two-thirds of Medicare spending is for people with five or more chronic conditions.

In order to improve health outcomes and reduce health costs, the bill provides chronic care management (CCM) for Medicare beneficiaries in the traditional fee-for-service program, as well as in Medicare Advantage and Enhanced fee-for-service (EPPS).

These CCM programs would be budget neutral and provide the following services:

- A single point of contact to coordinate care across settings and providers.
- Self-management education for the beneficiary and support education for health care providers, primary caregivers, and family members.
- Coordination between health services and prescription drug benefits.
- Education about and assistance obtaining hospice, pain management, palliative, and end of life care.
- Participation is voluntary.

Fee-for-Service CCM:

The Secretary would contract with management companies through a regional competitive bidding process to provide chronic care management. Multiple winners would be selected in each region in the United States.

Contractors must:

- Be accredited by qualified organizations.
- Identify and enroll eligible beneficiaries through claims data.
- Accept risk-sharing as part of the contract.

The Secretary would make initial contact with the beneficiary and would provide information concerning CCM programs offered in the beneficiaries' region.

Medicare Advantage and Enhanced Fee-for-Service CCM:

- The provision of chronic care management programs would be a requirement for private plans.
- Most Medicare HMOs currently provide chronic care management programs.