

The Future is Now: Medicare Shows the Way?

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Presented at Sioux Valley Auditorium
as part of the University of South Dakota
School of Medicine Public Health Week

Wednesday, March 17, 2004

Themes of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA)

- ❑ Improve Medicare payments to rural providers
- ❑ Contributions to Rural Systems development
- ❑ New prescription drug benefit
- ❑ Studies and demonstrations re-payment and disease management
- ❑ Push for patient safety and quality improvement

Improved payment to rural providers

- Doctors for 2 years
- PPS Hospitals
 - Standardized payments
 - Wage index recalculation
 - Wage index calculation
 - Low volume adjustment
 - Changes to DSH



Improved payment to rural providers (continued)

□ CAH Payment

- 101%
- On call for PA, NP, CN Specialist
- Periodic interim payment
- 25 bed limit
- Distinct part units

□ Ambulance Payment

- Additional payment after 50 miles
- Blend local with regional/national to set payment
- Increase in low density areas



Systems Development

- Access requirements for pharmaceutical services
 - 70% of enrollees have pharmacy within 15 miles
 - Use of community pharmacies, including full 90 day supply
- Flex, SHIP reauthorized
- SNF as originating site for telemed (Demonstration)



Systems Development (continued)

- ❑ Grants to physicians for computer hardware and software
- ❑ Demos on care for chronic conditions
- ❑ Citizens Health Care Working Group in 2005-2006



New Prescription Benefit

- ❑ Discount cards in June
- ❑ Low income best off
- ❑ January 2006
- ❑ Rural participation



Payment Studies and Demos

- Physician payment: geographic differences, practice expense component, SGR
- PPS hospitals – REACH
- Payment margin in home health

Disease Management

- Four 3-year demos to promote continuity of care, prevent or minimize acute exacerbations of chronic conditions
- Program that randomly assigns beneficiaries with chronic conditions to a care improvement program

Patient Safety and Quality Improvement

- Incentive for PPS hospitals
- 5-year program to examine factors which encourage delivery of improved patient care quality
- 3 projects, one rural, to evaluate methods of improving quality of care to beneficiaries with chronic conditions

Patient Safety and Quality Improvement (continued)

- ❑ Study of drug safety and quality, including reducing medication errors (IOM)
- ❑ IOM will evaluate leading health care performance measures and options to implement pay for performance
- ❑ AHRQ to conduct research related to scientific information need and priorities related to clinical effectiveness and appropriateness

The New Age of Quality Improvement

- Leapfrog
- IHI initiatives
- CMS public reports of key contractors
- IOM Rural Report



THE **LEAPFROG** GROUP
for **Patient Safety**
Rewarding **Higher Standards**

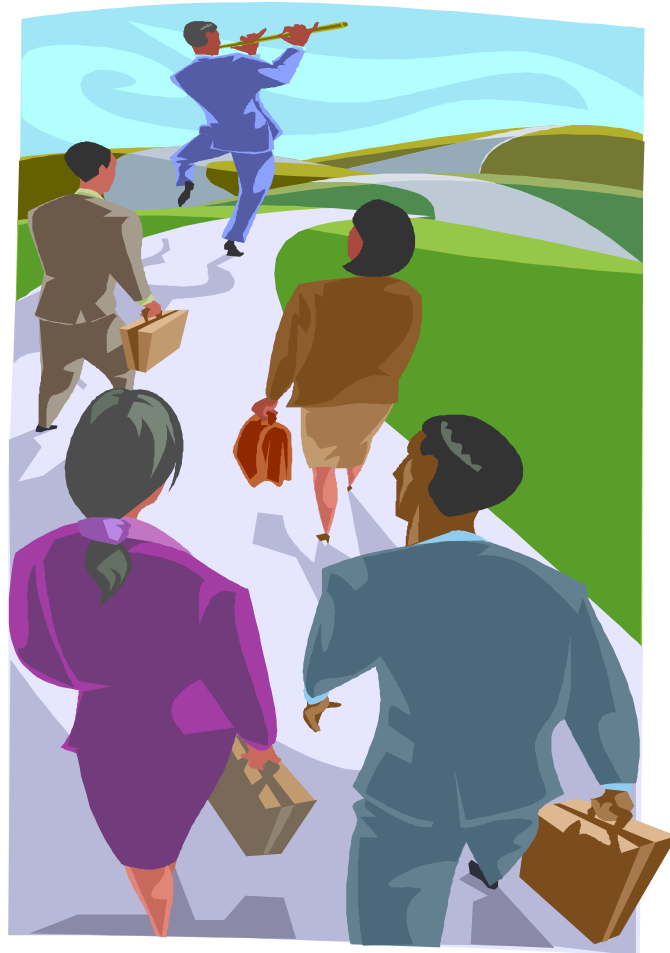


IHI offers resources and services to help health care organizations make dramatic and long-lasting improvements that enhance clinical outcomes and reduce costs.

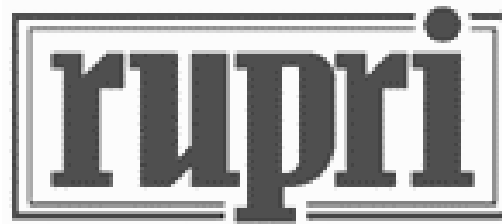
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