

COURSE OUTLINE

HP&M 839: Medicare and Medicaid
Spring, 2006
3 credits

Thursdays, 4:10pm – 7:00pm
University of Kansas Medical Center
1015 Orr Major

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Office Hours: 2:00pm – 4:00pm Tuesdays or Thursday, Room 5008 Student Center, or by appointment.

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READINGS

Distributed in class, available on-line or on Blackboard (<https://blackboard.kumc.edu/webapps/login>) for our course.

ADDITIONAL REFERENCES

The Medicaid Resource Book, Andy Schneider et al. (Kaiser Family Foundation).

Medicare & You 2006, Centers for Medicare and Medicaid Services, 2005.

Healthcare Spending and the Medicare Program. Medicare Payment Advisory Commission, June, 2005.

http://www.medpac.gov/publications/congressional_reports/Jun05DataBook_Entire_report.pdf

2005 CMS Statistics, Centers for Medicare and Medicaid Services, 2005.

Medicare Chart Book, 2005. Kaiser Family Foundation. <http://www.kff.org/medicare/7284.cfm>

ACCESSIBILITY

Any student in this course who, because of a disability, needs an accommodation in order to complete the course requirements should contact the instructor or the ADA/504 Coordinator (913-588-7813; TDD 913-588-7960) at the **start** of the course.

OVERVIEW

Through presentations of senior CMS staff and state administrators involved in managing Medicare, Medicaid, the State Children's Health Insurance Program (SCHIP) or other CMS-run programs, this course provides students with an in-depth understanding of the publicly financed health insurance system in our country that impacts virtually all aspects of the rest of the American health care system. The history and evolution of each program will be explored, with a particular emphasis on political, social, and economic factors that have influenced this development. Operational issues will be presented which explain eligibility, financing, management reporting, state/federal coordination, quality of care and outcomes evaluations, contracting, waivers, the relationship to prevention and public health, and recent legislation. Students will be expected to synthesize

readings and discussions, and will be evaluated on their ability to understand the role these programs play in influencing health delivery within different health service settings and for different populations. Students have the opportunity to gain additional insight into the management of these programs through on-site or policy analysis experience over the course of the semester.

COURSE OBJECTIVES

By the end of the course, students should be able to:

- understand the roles that the Centers for Medicare & Medicaid Services (CMS), Medicare, Medicaid, and SCHIP play in assuring access to health care for millions of Americans;
- identify strategies required to administer and manage these programs;
- recognize ways in which Medicare, Medicaid, and SCHIP interact with states, health service organizations, and individuals using health services in this country;
- understand how Medicare, Medicaid and SCHIP influence health care policy, finance, and delivery in this country;
- understand the relationship of publicly financed health insurance to public health and the role that prevention plays in each;
- recognize the political and managerial challenges these programs face, including rising health care costs, managed care, an aging population, the rise in the uninsured, emergent diseases, rolling out a prescription drug benefit, and other trends influencing health care delivery in the future.

COURSE REQUIREMENTS

A graduate level course in health systems, health policy or health finance **is required**.

GRADING

Evaluation will be based upon:

- (25%) completion and timely submission of *weekly assignments* related to evening's readings, presentations and discussion
- (20%) *attendance and class participation*
- (25%) *mid-term examination*
- (30%) participation and quality of work on *class semester project*

Letter Grades:

A = 90 - 100%

B = 80 - 89%

C = 70 - 79%

Below 70% will not receive credit for the course.

No late work will be accepted for credit without instructor approval in advance. Likewise, if there is a conflict which will prevent your attending class on a given night, it is up to the student to leave word with the instructor (e-mail or phone) **in advance**, unless of an emergency, so that absence can be excused.

SCHEDULE OF CLASS TOPICS AND READINGS

MODULE #1: Insurance, the American Health Care System, and Publicly Financed Health Care

Week 1: January 26th

Health Insurance in the United States: What? Why? How? – *Michael Fox, Robert Tomlinson*
(*Kansas Insurance Department*)

Objectives:

- Understand the historical, political and financial development of health insurance in the U.S.
- Distinguish between different forms of health insurance
- Identify the key issues in private and publicly financed health insurance today
- Identify key questions facing policymakers in working with health insurance in the U.S.

Readings/Viewings:

1. Gladwell, Malcolm. “The Moral Hazard Myth.” *The New Yorker*, August 29th, 2005 (on Blackboard).
2. Claxton, Gary. Institution for Healthcare Research and Policy. Kaiser Family Foundation. April, 2002. <http://www.healthinsurancesort.com/private.pdf>
3. Moran, Donald. “Whence and Whither Health Insurance? A Revisionist History.” *Health Affairs*, November/December 2005 (Vol 24:6) (on Blackboard).
4. Audio/video of President Johnson signing of Medicare Legislation (Items #8 and #9)
<http://www.ssa.gov/history/mpeg/videosound.html#9>

Week 2: February 2nd

The Centers for Medicare & Medicaid Services (CMS) and its Organization – A Financial, Policy, and Statistical Overview – *Robert Epps, Narinder Singh*

Objectives:

- Understand where health services are used in the U.S., how much they cost, and what outcomes of this service use is;
- Understand the scope and depth of programs administered by CMS;
- Understand the role and mission of CMS and its place within our larger health care system;
- Identify key policy issues associated with programs administered by CMS

Readings:

1. CMS. The CMS Chart Series (U.S. Health Care System; CMS Program Operations; Medicare Program Information) Slides. <http://www.cms.gov/charts/>
2. Starr, Paul. *The Social Transformation of American Medicine*. Basic Books, New York. 1982. Pages 363-405 (“Redistribution without Reorganization, 1961-1969”; “Losing Legitimacy, 1970-1974”).
3. Iglehart, John. “The Centers for Medicare and Medicaid Services.” *NEJM* Vol. 345, No. 26, December 27, 2001, pp. 1920 – 1924.

MODULE #2: The Policy and Management of Medicare and Medicaid

Week 3: February 9th

Medicare Program – Overview, Eligibility, Benefits and Delivery Systems – – Natalie Myers, Darcy Jakopchek, Dale Ferguson, Lisa Gosche

Objectives:

- Understand the history of Medicare and identify factors that have led to its growth and influence on American health care.
- Understand who is eligible for Medicare and how persons enroll in the Medicare program.
- Understand the role of both fee for service and managed care in Medicare.
- Broadly understand what benefits are covered under Medicare and why.

Readings:

1. Kaiser Family Foundation. “Medicare at a Glance.” Fact Sheet. September, 2005
<http://www.kff.org/medicare/upload/1066-08.pdf>
2. Medicare Payment Advisory Commission. Report to the Congress. March, 2005. Executive Summary: pp. xv-xviii; Chapter One: At a Crossroads in Medicare: Assessing Payment Adequacy and Moving Towards Value-Based Purchasing, pp. 3-30; Chapter Four: Strategies to Improve Care: Pay for Performance and Information Technology, pp. 183 - 226.
http://www.medpac.gov/publications/congressional_reports/Mar05_TOC.pdf
3. Medicare Payment Advisory Commission. A Data Book: Healthcare Spending and the Medicare Program. June, 2005. Review Sections 1 (Medicare Beneficiary Demographics, pp. 1-10), 3 (Quality of Care in the Medicare Program, pp. 23-35), 4 (Access to Care in the Medicare Program, pp. 37-46) and 7 (National Healthcare and Medicare Spending, pp. 77-90).
http://www.medpac.gov/publications/congressional_reports/Jun05DataBook_Entire_report.pdf

Week 4: February 16th (on-line)

Medicare Reform and the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 – Robert Epps, Tammy Twait, John Kiefaber

Objectives:

- Identify major provisions of the MMA
- Develop understanding of the political forces that led to the passage of this legislation
- Understand the challenges faced by states and the federal government in implementing the MMA
- Identify other proposed changes in Medicare, theories behind them, and potential impacts.

Readings/Viewing:

1. Kaiser Family Foundation (Tricia Newman). Tutorial: The New Medicare Prescription Drug Benefit, an Overview. http://www.kaiseredu.org/tutorials_index.asp#RxDrugBenefit1
2. Iglehart John K. The New Medicare Prescription-Drug Benefit - A Pure Power Play. *NEJM*, Feb 19, 2004. 350;8, pp. 826-833.
3. Fox, M. Understanding Bush Medicare Reform: The Art of Converting Social Welfare into Corporate Welfare. PowerPoint presentation (on Blackboard).

Week 5: February 23rd

Medicaid and SCHIP – Jackie Glaze, Mandy Hanks, Michael Fox

Objectives:

- Understand the social, economic and political origins of Medicaid and SCHIP and identify factors that have led to their growth.
- Understand the role of states in management of Medicaid and the importance of Medicaid to segments of low-income populations.
- Gain a better understanding of State flexibility in SCHIP programs.

Readings:

1. Rosenbaum, Sara. "Medicaid" *NEJM* 346:8, February 21, 2002
2. Kaiser Family Foundation. "The Medicaid Program at a Glance." January, 2005
<http://www.kff.org/medicaid/upload/The-Medicaid-Program-at-a-Glance-Fact-Sheet.pdf>
3. Kaiser Family Foundation. The Medicaid Resource Book ("The Yellow Book"). July, 2002. Forward and Introduction, pp. i – 2; Chapter 2: Benefits, pp. 49 – 80; Chapter 4: Medicaid Administration, pp. 129 – 164; Appendix A, Legislative History, pp. 175 - 177. <http://www.kff.org/medicaid/2236-index.cfm>
4. Mann and Rudowitz (Kaiser Family Foundation Issue Brief). "Financing Health Coverage: The State Children's Health Insurance Experience." February, 2005. <http://www.kff.org/medicaid/upload/Financing-Health-Coverage-The-State-Children-s-Health-Insurance-Program-Experience-Issue-Paper.pdf>

Week 6: March 2nd (on-line)

Medicaid Reform and Waivers – Brenda Jackson, Frank Campbell, Narinder Singh

Objectives:

- Identify and understand Medicaid managed care provisions which provide for the implementation of the Balanced Budget Act of 1997
- Understand Medicaid managed care models
- Gain understanding of the options available to states under the Medicaid HCBS waiver program

Readings:

1. Artiga and Mann (Kaiser Family Foundation Policy Brief). "New Directions for Medicaid Section 1115 Waivers: Policy Implications of Recent Waiver Activity." March, 2005. <http://www.kff.org/medicaid/upload/New-Directions-for-Medicaid-Section-1115-Waivers-Policy-Implications-of-Recent-Waiver-Activity-Policy-Brief.pdf>
2. National Governor's Association (NGA). "Medicaid Reform: A Preliminary Approach." June, 2005. <http://www.nga.org/Files/pdf/0506medicaid.pdf>
3. (skim) Fox MH, Kim KM. Evaluating a Home and Community Based Physical Disability Waiver. *Journal of Family and Community Health*. Volume 27(1): 37-51. January-March 2004.
4. Kaiser Family Foundation. U.S. Supreme Court's Olmstead Decision: Five Years After. Video: *I Did It*. Found at <http://www.kff.org/medicaid/kcmu062104pkg.cfm>

Optional Additional Readings:

<http://www.cms.gov/medicaid/waivers/default.asp> (Information on Medicaid Managed Care Waivers)

<http://www.cms.gov/medicaid/managedcare/default.asp>

(Final Medicaid Managed Regulation Implementing the Balanced Budget Act of 1997.)

<http://www.cms.gov/medicaid/1915c/proto1-2.pdf> (The CMS protocol that we use to look at waivers - how to understand them?)

<http://hcbs.org/reports.htm> (a variety of reports on issues relevant to HCBS – i.e., independence, safety, etc.)

Week 7: March 9th

Medicare and Medicaid Finance and Reimbursement – Phil Chiarelli or Wayne Smetna, Jim Frisbie,

Narinder Singh

Objectives:

- Understand the ways in which both Medicare and Medicaid reimburse providers
- Recognize the major components of Medicare payment systems, including the cost report that the financial portion is derived from
- Understand factors that both CMS and states use in determining reimbursement
- Identify equity issues related to urban and rural reimbursement methods

Readings:

1. Medicare Payment Advisory Commission. Report to the Congress. March, 2005. Chapter Two: Assessing Payment Adequacy and Updating Payments in Fee for Service Medicare, pp. 31-38 (skim to p. 142); Chapter Three: Issues in Physician Payment Policy, pp. 143 – 182.
http://www.medpac.gov/publications/congressional_reports/Mar05_TOC.pdf
2. Kaiser Family Foundation. The Medicaid Resource Book (“The Yellow Book”). July, 2002. Chapter Three: Medicaid Financing. <http://www.kff.org/medicaid/2236-index.cfm>

Week 8: March 16th

Program Accountability: Fraud and Abuse, Survey and Certification – Phil Chiarelli, Peter Gruber

Objectives:

- Learn the scope and nature of fraud and abuse within the Medicare program
- Understand the process by which CMS assures financial and program integrity for both Medicare and Medicaid through checks and balances
- Understand the dynamic that exists between providers and both publicly insured and private health insurance programs.

Readings:

1. U.S. Department of Health and Human Services (HHS). Office of Inspector General. Semi-Annual Report. Chapter 1, pp. 1-26. Centers for Medicare and Medicaid Services.
<http://oig.hhs.gov/publications/docs/semiannual/2004/SemiannualFall04.pdf>
2. U.S. Government Accountability Office (GAO). Medicaid Program Integrity: State and Federal Efforts to Detect and Prevent Improper Payments. Pages 1-22. July, 2004
3. Stanton TH. “Fraud-and-abuse enforcement in Medicare: finding middle ground.” *Health Affairs* 2001 Jul-Aug;20(4):28-42

Mid-Term Examination

Week 9: March 23 Spring Break – no class

MODULE #3: Problem Solving, Quality Improvement, and Control in CMS Programs

Week 10: March 30

Research and the Use of Information Systems – Narinder Singh, Larry LaVoie

Objectives:

- Identify the role administrative claims and clinical data play in health services research associated with CMS programs;
- Discuss strengths and weaknesses of using available administrative data at CMS;
- Illustrate the use of CMS data in health services research;
- Identify and discuss data sets that can be shared with external researchers.

Readings:

1. Jencks SF, Cuerdon T, et.al. “Quality of Medical Care Delivered to Medicare Beneficiaries: A Profile at State and National Levels.” *JAMA*. October 4, 2000. 284(13):pages 1670-1676.
2. Hofer TP, Hayward RA, et.al. “The Unreliability of Individual Physician ‘Report Cards’ for Assessing the Costs and Quality of Care of a Chronic Disease.” *JAMA*. June 9, 1999. 281(22):2098-2105.

Week 11: April 6 – Class Meets at CMS REGIONAL OFFICE FROM 3:30PM – 6:00PM

Quality and Patient Safety – Sunil Sinha, MD, (Baltimore), Annette Kussmaul MD (Kansas City)

Class will meet at CMS Regional Office, Bolling Federal Office Building, 601 East 12th Street, KC, Missouri this evening only. We will meet in the Missouri Room.

Objectives:

- Understand the efforts being undertaken by CMS to assure quality of care for beneficiaries served in Medicare, Medicaid and SCHIP
- Understand the role of quality improvement organizations and how their activities maintain quality
- Learn about new approaches to quality being considered by CMS
- Describe the relative contributions of human error and system issues to events of patient harm.
- Describe the components of, and rationale for, a patient safety improvement model.

Readings:

1. Jencks SF, Huff ED, Cuerdon T. Changes in the Quality of Care Delivered to Medicare Beneficiaries, 1998-1999 to 2000-2001. *JAMA*. January 15, 2003. 23(3): 305-312.
2. Shojania KG, Duncan BW, McDonald KM, Wachter RM. Safe but Sound: Patient Safety Meets Evidence-Based Medicine. *JAMA*. July 24/31, 2002. 288(4): 508-513.
3. Institute of Medicine. 1st Annual Crossing the Quality Chasm Summit: A Focus on Communities. 2004. National Academy Press. Executive Summary and Introduction (Chapter 1), pages 1-26 and Next Steps (Chapter 9), pages 97 – 110. <http://www.nap.edu/books/0309093031/html/>

Week 12: April 13

Student Project Discussion Week

Objectives:

- As a class, review each group's status for their semester project;
- Provide advice and counsel on completing semester project successfully;
- Share with the class issues and objectives for each group's work

Readings:

None

Week 13: April 20

Consumer, Beneficiary and Provider Relations; National Medicare Beneficiary Campaigns –

Natalie Myers, Robert Epps, Arnold Balanoff and Ruth Cornwall

Objectives:

- Understand how CMS interacts with Medicare beneficiaries
- Identify approaches used by CMS in assuring that beneficiaries of their programs both understand and make optimum use of eligible services

Readings:

1. Institute of Medicine. Health Literacy: A Prescription to End Confusion. National Academy Press. Read Executive Summary and Introduction (Chapter 1), pages 1-30 and Vision for a Health Literate America (Chapter 7), pages 240-242. <http://www.nap.edu/books/0309091179/html/>

Week 14: April 27 (on-line)

Contract Management, Privatization and Outsourcing

Ron Bryan, Richard Routman

Objectives:

- Understand the driving economic and social forces behind privatization of Medicare and Medicaid;
- Understand the contract management process in both programs;
- Determine the degree to which contract management improves and/or detracts from the efficiency of both programs
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Readings:

1. Moon, M. (Urban Institute) "Medicare, Modernization, and FEHBP." Testimony before the House Subcommittee on Health, Committee on Energy and Commerce. July, 2002.

<http://www.urban.org/publications/900489.html>

2. Herd, P. "Universalism without the Targeting: Privatizing the Old-age Welfare State." *The Gerontologist* (June, 2005, 435:3;292-298) (on Blackboard).

3. Family USA Policy Summaries: Florida and South Carolina's Medicaid Waiver Summaries (on Blackboard)

MODULE #4: Policy and Management Analysis

Week 15: May 4

Current Initiatives, Priorities and Direction – *Nan Foster-Reilly, Robert Epps, Narinder Singh, Dick Brummel (Panel discussion)*

Objectives:

- Address current issues facing CMS and the programs they administer that may not have been covered in sufficient depth in earlier class sessions
- Engage in dialogue that allows students additional opportunities to query CMS senior staff on issues of relevance to them
- Speculate on directions that CMS will embark upon in the upcoming year.

Readings:

1. None

Week 16: May 11th

(on-line – continue work on class projects)

Week 17: May 18th (Finals Week)

Final semester project due. Student led discussion and presentation of group work on class project.

**Health Policy and Management 839
Medicare and Medicaid
Spring, 2006**

Class Project

Creating a New Medicaid Program for Kansas

Medicaid is the joint state-federal program intended to provide health insurance to persons based on their low income. Every state has a Medicaid program that is unique in the way eligibility and benefits are structured. Every state has a unique form of health care delivery and management that in some ways reflects the values of the state and how they treat persons who are poor.

Yet state Medicaid programs are in trouble. With a changing economy which has led to significant loss of employer-based health insurance over the years, large tax cuts, double-digit health care cost increases, natural and man-made disasters plunging many people into poverty, and a number of other occurrences in which competing demands have made state resources increasingly scarce, states have been forced to enact or consider large cuts to their Medicaid programs. A recent National Governor's Conference set of recommendations (on BlackBoard under Course Information/Class Project – Spring, 2006) set the tone for cuts begun under the most recent Deficit Reduction Act (of 2005), and will likely continue. Medicaid as we now know it may become a thing of the past very soon.

Out of adversity comes opportunity. Recently, in Kansas, Senator Derek Schmidt from Independence chaired a committee to recommend reforms to the Kansas Medicaid program. A summary of his committee's recommendations, released a few weeks ago, may also be found on BlackBoard. Most observers feel that his recommendations barely scratched the surface of major changes. For example, in summarizing system changes, his report reads:

Kansas Legislative Research Department 2005 Medicaid Reform
System Changes

- The Committee recommends the Division of Health Policy and Finance immediately require every pharmacy claim form to include the prescriber's Drug Enforcement Administration identification number.
- The Committee recommends, with the approval of the Legislative Coordinating Council, a letter be sent to the Kansas Congressional delegation urging them to support Medicaid reforms that would give the states more flexibility in determining the rates paid for prescription drugs under the Medicaid program.

For a class project this semester, we would like you to design a new Medicaid program for the state of Kansas. You will start from scratch, assuming that you are a team of consultants brought in for this purpose. You need not be bound by any of the strictures of the existing Medicaid program, but you are bound by federal regulations on how the program needs to be run.

To build a new Medicaid program, the class will be divided into workgroups devoted to management units. These will include:

1. **Organizational Structure**, or the overall *management* of the program; to include
 - Programs
 - Operations
 - Contracts
 - Federal regulations
 - Information systems

2. **Enrollment and Eligibility**; to include
 - Eligibility criteria and income thresholds
 - State only and state/federal categories
 - Outreach
 - Income verification

3. **Benefits**; to include
 - Amount, duration and scope of services
 - Enrollee costs (if any)

4. **Financing**; to include
 - Revenues vs. overall expenditures
 - Maximizing federal match rates
 - Coordination of benefits
 - Reimbursement

5. **Service Delivery**; to include
 - Assuring provider participation
 - Quality assurance
 - Forms of managed care
 - Forms of targeted case management
 - Other new and innovative programs

In developing the new Medicaid program, students must keep in mind the tight fiscal restraints the state of Kansas operates under. The challenge, faced daily by state policy makers, is to balance these fiscal realities with the need to provide quality and accessible health care to persons in the state who qualify for Medicaid.