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COURSE OUTLINE

HP&M 839: Medicare and Medicaid
Spring, 2007
3 credits

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

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

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READINGS

Distributed in class, available on-line or on Angel (<https://elearning.kumc.edu/angel/frames.aspx>) .

ADDITIONAL REFERENCES

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

<http://www.kff.org/medicaid/2236-index.cfm>

Medicare & You 2007, Centers for Medicare and Medicaid Services, 2006.

<http://www.medicare.gov/publications/pubs/pdf/10050.pdf>

Healthcare Spending and the Medicare Program. Medicare Payment Advisory Commission, June, 2006.

http://www.medpac.gov/publications/congressional_reports/Jun06DataBook_Entire_report.pdf

2006 CMS Statistics, Centers for Medicare and Medicaid Services, 2006.

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 growth 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

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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 uninsured, emergent diseases, managing a prescription drug benefit, and other trends influencing health care delivery.

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.

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SCHEDULE OF CLASS TOPICS AND READINGS

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

Week 1: January 22nd

Health Insurance in the United States: What? Why? How? – *Michael Fox*

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 Angel).
2. Claxton, Gary. How Private Insurance Works: A Primer. 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 Angel).
4. View and/or listen to each of the Real Audios or MPEG videos under “Medicare and Medicaid.” <http://www.ssa.gov/history/mpeg/videosound.html#9>

Week 2: January 29th

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. Skim “The CMS Chart Series” (U.S. Health Care System; CMS Program Operations; Medicare Program Information) Slides. <http://www.cms.hhs.gov/TheChartSeries/>
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”).

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

Week 3: February 5th

Medicare Program – Overview, Eligibility, Benefits and Delivery Systems – *Darcy Jakopchek, Dale Ferguson*

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. July, 2006
<http://www.kff.org/medicare/upload/1066-09.pdf>
2. Medicare Payment Advisory Commission. Report to the Congress. Medicare Payment Policy. March, 2006. Executive Summary: pp. xv-xix; Chapter One: Context for Medicare Payment Policy, pp. 3-30.
http://www.medpac.gov/publications/congressional_reports/Mar06_EntireReport.pdf
3. Medicare Payment Advisory Commission. A Data Book: Healthcare Spending and the Medicare Program. June, 2006. Review Charts on Chapters 1-5, pp. 1-63. (National Healthcare and Medicare Spending, Medicare Beneficiary Demographics, Quality of Care in the Medicare Program, Access to Care in the Medicare Program). http://www.medpac.gov/publications/congressional_reports/Jun06DataBook_TofC.pdf (Click on sections of the Table of Contents to copy or download)

Week 4: February 12th

Medicaid and SCHIP – *Barbara Cotterman, 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.” May, 2006
<http://www.kff.org/medicaid/upload/7235.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>

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Week 5: February 19th

Medicare and Medicaid Finance and Reimbursement – *Phil Chiarelli, Narinder Singh, Michael Fox*

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. Medicare Payment Policy. March, 2006. Chapter Two: Assessing Payment Adequacy and Updating Payments in Fee for Service Medicare, pp. 23-30 (skim to p. 129); Chapter Three: Reviewing the Work Relative Values of Physician Fee Schedule Services, pp. 133 – 149. http://www.medpac.gov/publications/congressional_reports/Mar06_EntireReport.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 6: February 26th

Medicare Reform: MMA, DRA, PFP, PVRP, Immigration - *Jorge Lozano, Frank Campbell.*

Objectives:

- Identify major provisions of the MMA and DRA and understand how they influence health finance
- Develop understanding of the political forces that led to the passage of these pieces of legislation
- Understand the challenges faced by states and the federal government in implementing this legislation
- 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. Medicare Payment Advisory Commission. Report to the Congress: Increasing the Value of Medicare. June, 2006. Chapters 2 (Care Coordination in FFS Medicare), 7 (Part D Plan Offerings), 8 (How Beneficiaries Learn About Drug Benefit and Make Choices) & 9 (Medicare Advantage Program) http://www.medpac.gov/publications/congressional_reports/Jun06_TOC.pdf

Week 7: March 5th

Medicaid Reform and Waivers – *Michelle Opheim, Jackie Glaze, Narinder Singh*

Objectives:

- Identify and understand Medicaid managed care provisions which provide for the implementation of the Balanced Budget Act of 1997
- Understand the role of the Office of Civil Rights in Medicaid
- Understand Medicaid managed care models
- Gain understanding of the options available to states under the Medicaid HCBS waiver program
- Understand how Massachusetts is using 1115 waivers to help insure all residents

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1. Mann and Artiga (Kaiser Family Foundation Policy Brief). "New Developments in Medicaid Coverage: Who Bears Financial Risk and Responsibility?" June, 2006. <http://www.kff.org/medicaid/upload/7507.pdf>
 2. Kaiser Family Foundation. Massachusetts Health Care Reform Plan. April, 2006. <http://www.kff.org/uninsured/upload/7494.pdf>
 3. Steinbrook, R. Imposing Personal Responsibility for Health. NEJM. 355: 753-756. August, 2006. <http://content.nejm.org/cgi/content/full/355/8/753>
 4. National Governor's Association (NGA). "Medicaid Reform: A Preliminary Approach." June, 2005. <http://www.nga.org/Files/pdf/0506medicaid.pdf>
- OPTIONAL ADDITIONAL READING/VIEWING:
5. (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.
 6. 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>

Week 8: March 12th

Program Accountability: Fraud and Abuse, Survey and Certification – Chris Bresette, 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. Spring, 2006. Intro and Chapter 1, pp. i-25, Centers for Medicare and Medicaid Services. <http://oig.hhs.gov/publications/docs/semiannual/2006/SemiannualSpring2006.pdf>
2. U.S. Government Accountability Office (GAO). Medicaid Financial Management: Steps Taken to Improve Federal Oversight but Other Actions Needed to Sustain Effort. <http://www.gao.gov/new.items/d06705.pdf>
3. Stanton TH. "Fraud-and-abuse enforcement in Medicare: finding middle ground." *Health Affairs* 2001 Jul-Aug;20(4):28-42

Mid-Term Examination - *On-line*

Week 9: March 19 Spring Break – no class

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

Week 10: March 26th – Class Meets at CMS REGIONAL OFFICE FROM 3:30PM – 6:00PM
Quality and Patient Safety – Sunil Sinha, MD, (Baltimore)

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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 11: April 2nd

Using Medicare and Medicaid Data to Monitor Quality and Costs – 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 12: April 9th

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

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Readings:

None

Week 13: April 16th

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 23rd

Contract Management, Privatization, Specialty Hospitals and Sole Provider Issues

Ron Bryan, Jim Frisbee

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 Angel).

3. Medical Payment Review Commission. Report to the Congress: Physician Owned Specialty Hospitals Revisited. August, 2006. Read Executive Summary and Section Starting with “What is the Financial Impact of Physician Owned Specialty Hospitals?”

http://www.medpac.gov/publications/congressional_reports/Aug06_specialtyhospital_mandated_report.pdf

MODULE #4: Policy and Management Analysis

Week 15: April 30th

The Future of Medicare and Medicaid –*Dick Brummel, Tom Lenz*

Objectives:

- Address current issues facing CMS and the programs they administer that may not have been

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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. Gladwell, Malcolm. "The Risk Pool: What's Behind Ireland's Economic Miracle and GM's Financial Crisis?" *The New Yorker*, August 28th, 2006 (on Angel).

Week 16: May 7th

(continue work on class projects)

Week 17: May 14th (Finals Week)

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

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Class Project

A Strategic Plan to Reduce Medical Debt in Kansas

Four recent reports have been written which document the problem of medical debt in Kansas. Three of them, from the Access Project, in conjunction with Brandeis University,

(<http://www.accessproject.org/about.html>) are entitled:

- *Losing Ground: Eroding Health Insurance Coverage Leaves Farmers with Medical Debt* (<http://www.accessproject.org/adobe/losinggroundfinal.pdf>, July, 2006);
- *Playing by the Rules but Losing: How Medical Debt Threatens Kansans' Healthcare Access and Financial Security* (http://www.accessproject.org/adobe/kansas_playing_by_the_rules.pdf, January, 2006);
- *Heartache in the Heartland: Kansans Speak about the Burden of Medical Debt* (http://www.accessproject.org/adobe/heartache_in_the_heartland.pdf, March, 2005).

A fourth, written by one of your instructors with a former HP&M student, is entitled: *Being Underinsured in Kansas* (<http://www.ipssr.ku.edu/publicat/kpr/kprV28N2/kprv28n2.pdf>, *Kansas Policy Review*, 28;2, 14-23, Fall, 2006).

The following is an excerpt from this last article, summarizing some of the policy implications of medical debt:

Poor health insurance coverage affects health care seeking behavior. The underinsured are less likely than those with better insurance coverage to seek medical care when they need it, fill prescriptions their physicians feel that they need, or undergo tests and procedures that could prevent illness. They are less likely to utilize preventative health care when it costs them too much to do so. Respondents in our study, considered insured by health policy makers, are not receiving mammograms, Pap smears and other tests that are proven to reduce adverse outcomes associated with disease. People who pay a substantial amount of their gross household income on health insurance are not monitoring diseases like diabetes because they cannot afford diabetic monitoring equipment in the face of their insurance premiums. People who pay up to 10% of their gross family income towards insurance premiums do not access health care because they can't afford it, in spite of their insurance.

Even as we know that insurance status is one of the most important determinants of access to health care, simply having it does not ensure access to needed services or financial security. The adequacy of the insurance must be considered. People who are not able to afford adequate health insurance on their own, or do not work for a business that provides adequate health insurance do not have access to the same health system as those with adequate insurance. Their numbers are likely to rise as the price

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of providing insurance coverage rises, and if Health Savings Accounts (HSAs) and consumer-driven health care continue to be considered viable proxies for health reform in Kansas or elsewhere.

We propose that for your semester project this semester, you develop a comprehensive statewide strategy to address the issue of medical debt in Kansas.

Committees to work on this will include:

Group #1: Researching the Issue (THIS GROUP WILL HAVE THEIR WORK COMPLETED TO SHARE WITH THE REST OF THE CLASS BY APRIL 9TH, 2007)

- What is currently available?
- What is currently needed that is not available to guide informed policy and management?
- How can data be acquired to address what is currently needed?
- Developing **and possibly conducting** surveys, interviews or focus groups: steps involved and timelines (requires Human Subject Committee Approval, which means starting work very quickly)

Other groups will have their work completed in a summary report to share with the class and invited guests on May 14th.

Group #2: Consumer Perspective

- Access to affordable insurance
- Using covered services better
- Education on alternatives
- Help when incur/ help to avoid
- Other????

Group #3: Hospital and Other Provider Perspective

- What alternatives exist?
- Providing uncompensated preventive services
- Legislation needed / models to follow in place in other states
- Coordinating hospital and non-hospital services

Group #4: Insurance Perspective

- Marketing products that address the problem
- What is needed and how to get there; working with key stakeholders
- Impact and implications for public financed insurance
 - Medicare
 - Medicaid
 - SCHIP
 - VA
 - Other????