



Mini-Rotation on the Health Care System

Theme: The Organization and Financing of the US Health Care System

Topic: Medicare and Medicare Advantage Health Plans

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Objectives:

By the end of this session, participants should be able to:

- Identify the differences between fee-for-service Medicare and the Medicare Advantage programs.
- Discuss the current and future state of Medicare and Medicare Advantage programs.
- List critical success factors for physicians participating in Medicare or Managed Medicare Plans.

Overview of the presentation (August 2015):

Topics

- What is Medicare and who is eligible?
- Medicare and Medicare Advantage: differences and similarities
- How is Medicare evolving?
- What are the implications for physicians?

Summary of key messages

- Significant growth in the Medicare population and rising Medicare costs are driving the need for change in the federal Medicare program.
- Nearly one third of all Medicare beneficiaries are now enrolled in private Medicare Advantage plans where their care is being managed.
- The traditional fee for service Medicare program is evolving using many approaches borrowed from Medicare Advantage plans.
- CMS has aggressive goals to shift from fee for service to value based payments for physicians and hospitals by 2018.
- As a result, physicians and physician practices must adapt and evolve the way they care for people with Medicare.
- These changes will drive further change in the broader healthcare system.

Insurance coverage in the U.S.

- Distribution of the population by source of insurance (employer, Medicaid, Medicare, individual/exchange, other, uninsured).

Medicare eligibility

- By category (age, disability)
- Number of enrollees
- Growth in the Medicare eligible population, 2000-2050
- Distribution by age cohort (65-74, 75-84, 85+)

The basics of Medicare

- Parts A, B and D
- For each Part: benefits, patient payment, and eligibility/cost

Enrollee options

- Original Medicare (Part A and Part B)
- Medicare Advantage (Part C)

Traditional Medicare vs. Medicare Advantage

- For both options: Care delivery and management; provider payment
- Coverage comparison (services, costs)

Growth in Medicare Advantage enrollment

- Number of enrollees and percent of total Medicare, 2000-now

Medicare Advantage Model

- Description of Tufts Health Plan model

Physician participation (Tufts Health Plan model)

- Physician panel selection
- Health plan support: resources, programs (e.g., health and risk assessments; care management)

Evolution of Medicare program

- Value-based provider payments
- Benefits modernization
- Accountable care
- Delivery and payment reform

Implications for physicians of Medicare and its evolution

- Relative consumption of services (e.g., physician visits per member per year; admissions/1000) by commercially insured populations, Medicare enrollees, and dual eligible Medicare enrollees

Implications for physicians: Population management

- Segmentation of Medicare enrollees by health status
- Segments: active & well; average chronic; multi-chronic; frail and complex
- Clinical strategies for each (e.g., wellness and prevention; disease management; interdisciplinary care)

Keys to practicing successfully in managed Medicare

- Physician leadership
- Care management
- Incentive structures
- Data and systems

The "take away"

- The Medicare program is evolving from fee for service to value based payment adopting many tenets of managed care while enrollment in Medicare Advantage plans is growing.
- With significant growth in the senior population, caring for people with Medicare will be a major part of physician's practice.
- As a result of these trends, all players in the healthcare system will need to adapt and develop capability to be accountable for the cost and quality of the care they provide.