

Medicare at 50

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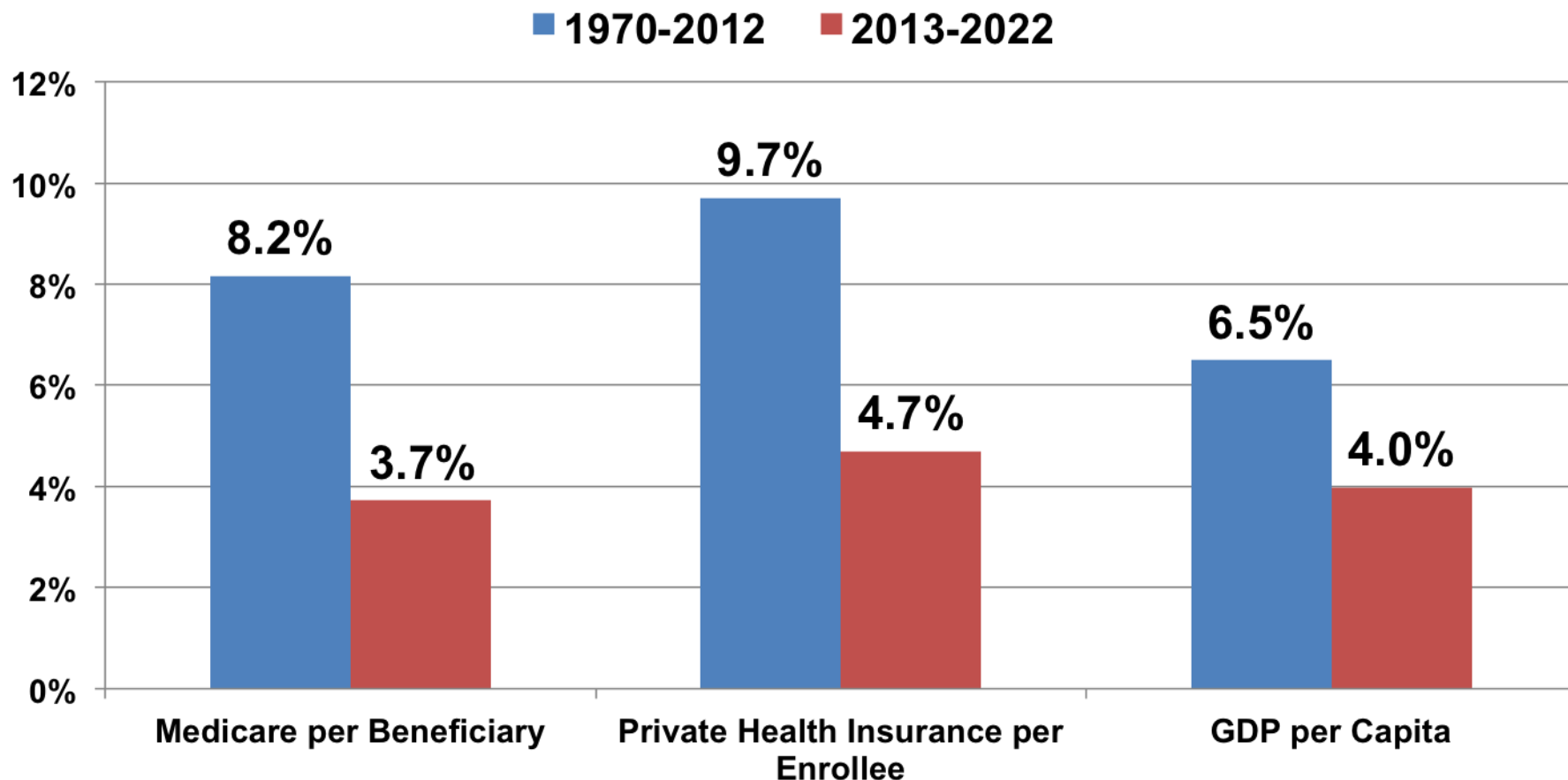
Johns Hopkins Bloomberg School of Public Health

Medicare Signal Achievements

- Medicare has achieved its goals of ensuring access to care and financial protection for beneficiaries in its first 50 years – uninsured rate down, life expectancy up 5 years, access to care and financial burdens less than for those under 65
- Medicare has been an innovative leader in payment, quality, and delivery system reform – DRGs, MD fee schedule, Medicare Advantage, quality
- Medicare has outperformed private insurers in controlling costs

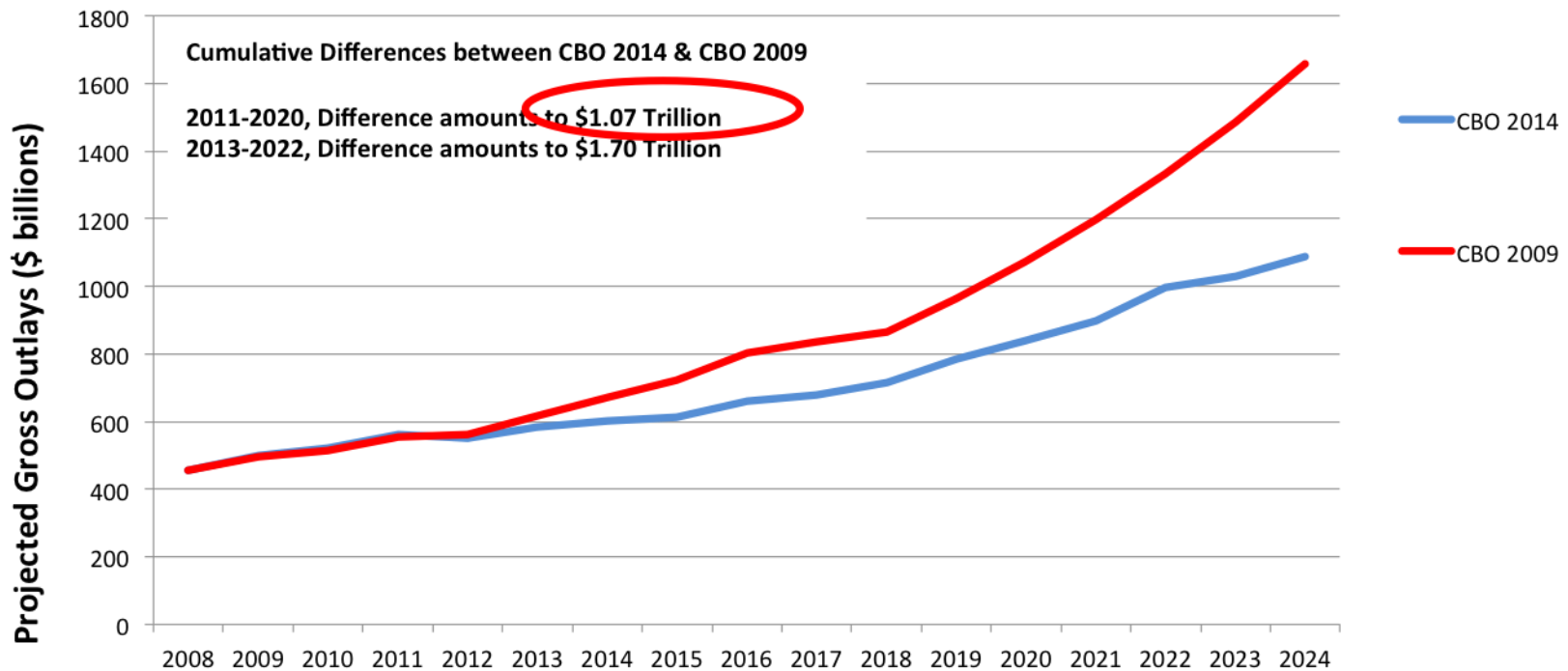


Historic and Projected Annual Growth Rates Medicare Spending per Beneficiary Compared to Private Insurance and Gross Domestic Product



Source: Roger C. Lipitz Center, Johns Hopkins Bloomberg School of Public Health, using data from 2012 Historical National Health Expenditures, released 1/2014; Bureau of Economic Analysis Estimates; US Department of Commerce, Census Bureau estimates.

CBO Has Lowered 10 Year Medicare Spending Projections by \$1 Trillion, 2011-2020



Source: Karen Davis and Jeromie Ballreich, Roger C. Lipitz Center, Johns Hopkins Bloomberg School of Public Health, based on annual Congressional Budget Office reports



Medicare Challenges for the Future

- **Financial burdens on low-and modest income beneficiaries**
- **Fragmented coverage: Part A, Part B, Part D, Medi-gap, Medicaid**
- **Absence of coverage for long-term care services and supports to help beneficiaries with complex care needs remain in the home**
- **Provider payment that is still largely fee-for-service based**
- **Retirement of boomer generation and growth in numbers of enrollees; increased share of federal budget**



Comprehensive Reform of Traditional Medicare

Cathy Schoen, Christine Buttorff, Martin Andersen, Karen Davis

- **Integration of Traditional Medicare, MediGap, Private Drug Plans, and Medicaid**
 - **Comprehensive benefits, administrative simplicity and savings**
 - **Sliding scale premium and cost-sharing assistance up to 200% of poverty directly through Medicare**
 - **Incentives to obtain care from high-value providers accepting innovative payment methods**



Comprehensive Provider Payment Reform in Traditional Medicare

Gerard Anderson

- Spread successful CMMI payment methods to all interested and qualified providers
- Replace Sustainable Growth Rate with physician payment reform similar to Congressional Committee bills – zero update for providers receiving volume-related payment and bonus of 5 percent for providers electing value-related payment with future payment updates available only to value-enhancing payment methods
- Price and quality transparency to enact beneficiaries to obtain care from high-value providers
- Engagement of private health insurers and Medicaid in adoption of value-enhancing payment methods



Comprehensive Reform of Traditional Medicare

Lauren Nicholas, Marilyn Moon, Ilene Hollin, Karen Davis

- **New part of Medicare for Beneficiaries with Complex Care Needs (physical or cognitive functional impairment, high cost)**
 - **Complex Care Organizations (CCOs) accountable for health and long-term care costs, coordinating care, reducing institutionalization, and improving quality of life**
 - **Individualized care plans, care coordination, caregiver support, strong primary care including in the home**
 - **Affordable cost-sharing related to income**
 - **Home and community based social services for beneficiaries at risk of institutionalization**
 - **Accelerate testing and spread of CCOs**





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“Payment: the Long Hard Road from Cost and Charge Based Reimbursement to Value Based Purchasing”



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“Enhancing Medicare’s Access and Affordability”



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“Improving Medicare Benefits for Beneficiaries with Complex Care Needs”



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“Medicare at 50: An Evolving Program Faces the Future”



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