

Medicare Health Care Quality Demonstration Programs – Gundersen Lutheran Health System FACT SHEET

Summary: Medicare Health Care Quality (MHCQ) Demonstration Programs are designed to examine the extent to which major, multi-faceted changes to traditional Medicare's health delivery and financing systems can lead to improvements in the quality of care provided to beneficiaries without increasing total Medicare expenditures. Gundersen Lutheran, a multi-location health system consisting of hospitals, physician practices, and specialized health centers, is the third project to be implemented under the demonstration. It is headquartered in LaCrosse, Wisconsin and includes satellite clinics and critical access hospitals in Iowa, Minnesota, and Wisconsin.

Demonstration Background: The MHCQ Demonstration was mandated by section 1866C of the Social Security Act, as added by section 646 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, P. L. 108-173. Section 1866C (b) requires the Secretary to establish a 5-year demonstration program to examine health delivery factors that encourage the delivery of improved quality in patient care. This section also authorizes the Secretary to waive compliance with such requirements of titles XI and XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) as may be necessary for the purposes of carrying out the demonstration project. In the event a demonstration site reduces Medicare costs and qualifies for a portion of Medicare savings, waiver authority related to title XVIII will be exercised.

- Three types of "health care groups" were eligible to participate in the MHCQ demonstration: 1) groups of physicians, 2) integrated health care delivery systems, and 3) organizations representing regional coalitions of groups or systems described previously.
- The Centers for Medicare & Medicaid Services (CMS) published a solicitation for demonstration proposals in 2005. All proposals were reviewed by a panel of experts. Those proposals that appeared to be both promising and feasible were recommended to the CMS Administrator who made the final selection of participants.
- The implementation date for the Gundersen demonstration is February 1, 2010. The project is scheduled to end May 31, 2014.

Gundersen Background: Gundersen Lutheran is implementing a "Late Life Primary Care (LLPC)" palliative care program which is designed for patients with serious, eventually fatal, chronic conditions or frailty. Gundersen will target patients with life expectancies of less than 24 months. LLPC is expected to improve care provided to these patients by focusing on continuity of care, quality of life, and respect for the patient as a person and family member. LLPC also includes the establishment of a team of care providers and comprehensive monitoring of quality measures for all new enrollees. The goal of Gundersen's LLPC program is to significantly improve the care of end-stage, chronically-ill patients.

LLPC will apply Gundersen's Disease-Specific, Patient-Centered, Advance Care Planning (DSPC-ACP) process to an expanded group of beneficiaries at an earlier stage in the progression of serious, eventually fatal medical conditions. DSPC-ACP is a decision support intervention that helps the patient and the patient's caregiver gain a better understanding of disease progression, set realistic goals for treatment, and formulate specific plans for medical care.

An estimated 7,300 eligible Medicare beneficiaries at Gundersen's LaCrosse site are expected to be identified through Medicare claims during the course of the demonstration.

Intervention Population: The Gundersen intervention targets patients with serious specified chronic conditions. It includes patients age 65 years and older with congestive heart failure, end stage renal disease, metastatic cancer, chronic obstructive pulmonary disease, Parkinson's Disease, Alzheimer's Disease, ALS, multiple sclerosis, stroke, or any combination of these conditions. The LaCrosse site was chosen for the demonstration due to the concentration of physicians, inpatient facilities, and patients, and Gundersen's prior experiences in providing palliative and related health services.

Quality-contingent Shared Savings: Savings will be determined by comparing the costs for Medicare-covered services incurred by beneficiaries assigned to the intervention group to an expenditure target that is developed using base-year costs for the intervention group and the experience of a comparison group that does not receive care from Gundersen. The LLPC model is expected to reduce hospital days, readmissions, subspecialist physician visits, and medical tests, while increasing hospice admissions and lengths of stay, and patient and family satisfaction with care. Gundersen estimates that patients in the last 2 years of life who participate in the LLPC program will use on average \$3,000 to \$6,000 less Medicare services per year (a 25 percent to 50 percent reduction in Medicare claims in the last 2 years of life).

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