



# Medicare News

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## **HCFA ANNOUNCES SITES FOR NEW COORDINATED CARE DEMONSTRATION TO IMPROVE CARE TO CHRONICALLY ILL**

The Health Care Financing Administration announced today the selection of 15 sites for a new demonstration project to test whether paying for coordinated care services for Medicare beneficiaries with chronic illnesses can produce better outcomes for the patient, without increasing program costs.

Studies have shown that a relatively small number of beneficiaries with certain chronic illnesses -- including as asthma, diabetes, congestive heart failure and related cardiac conditions, hypertension, coronary artery disease, cardiovascular and cerebrovascular conditions, and chronic lung disease -- account for a disproportionate share of Medicare fee-for-service expenditures. Moreover, patients with these conditions typically receive fragmented health care across multiple providers and multiple sites of care and require repeated costly hospitalizations.

HCFA is implementing this demonstration to test whether coordinated care programs can improve medical treatment plans, reduce avoidable hospital admissions, and promote other desirable outcomes for chronically ill beneficiaries, without increasing program costs. The selected projects include both case and disease management models in urban and rural settings.

The demonstration is designed to address the important implications for the future of the Medicare program as the beneficiary population ages, and the number of beneficiaries with chronic illnesses increases.

The 15 winning proposals were chosen from 58 applications, based on their proposed coordinated care services, targeted population, evidence of prior success, experimental design, payment methodology and budget neutrality, and ability to carry out the demonstration. The projects will be implemented on a rolling basis.

The demonstration project was authorized by the Balanced Budget Act of 1997 to see whether private sector case management tools adopted by health maintenance organizations, insurers, and academic medical centers to promote the use of evidence-based medical practices could be applied to the fee-for-service population. HCFA announced the project and solicited proposals for coordinated care projects in the July 28, 2000 *Federal Register*.

A list of the selected projects is attached.

## Medicare Coordinated Care Demonstration Selected Proposals

Project Site	Rural/ Urban	Beneficiary Location	Targeted Diseases
Avera McKennan Hospital Sioux Falls, SD	Rural	SD, IA, MN	Congestive heart failure and related cardiac diseases
Carle Foundation Hospital Urbana, IL	Rural	Eastern IL	Various chronic conditions
CenVaNet Richmond, VA	Urban	Richmond	Various chronic conditions
CorSolutions, Medical, Inc. Buffalo Grove, IL	Urban	TX, IN	High-risk congestive heart failure
Erickson Retirement Communities Baltimore, MD	Urban	Baltimore County, MD	Various chronic conditions
Georgetown U. Medical Center Washington, DC	Urban	DC, MD suburbs	Congestive heart failure
Hospice of the Valley Phoenix, AZ	Urban	Maricopa County, AZ	Various chronic conditions [Note: Demo not limited to end-of-life care]]
Jewish Home and Hospital New York, NY	Urban	New York City	Various chronic conditions
Mercy Medical Center Mason City, IA	Rural	Northern IA	Various chronic conditions
Medical Care Developments Augusta, ME	Rural	ME	Congestive heart failure or post-acute myocardial infarction
PennCARE Allentown, PA	Both	Eastern PA	Various chronic conditions
Quality Oncology, Inc. McLean, VA	Urban	Broward County, FL	Cancer
QMED, Inc. Laurence Harbor, NJ	Urban	Northern CA	Coronary artery disease
University of Maryland Baltimore, MD	Urban	Baltimore, MD	Congestive heart failure
Washington University St. Louis, MO/ StatusOne Health Hopkinton, MA	Urban	St. Louis, MO	Various chronic conditions