

Experts favor broad medicare reforms to control costs and foster health-care innovations

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A vast majority of leaders in health care and health policy believe Medicare has been successful in providing access to care and stable coverage to the elderly and disabled individuals; however only a small percentage think the program has realized its potential to achieve other important goals, like using its leverage as the country's largest purchaser of services to control costs and promote a high performance health system. In the latest Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders survey, the experts surveyed favor sweeping changes to Medicare—reforms that would help control program costs and support broader health system reform.

Because of Medicare's unique position as the nation's largest insurance program, it can be an important testing ground for cost and quality innovations. To encourage such development, nearly all respondents favor expanding the power of the Secretary of Health and Human Services to put payment pilot programs on a "fast track" (95%) and to work with private payers and providers to establish multipayer initiatives (94%). Similarly, there was strong support for creation of an independent [Medicare](#) advisory council (favored by 75%) with broad authority to collaborate in multi-payer initiatives (89%), develop, test, and implement payment reforms rapidly and flexibly (88%), and alter beneficiary incentives based on effectiveness of services, drugs, and devices (86%).

The survey asked respondents their opinions about specific policy options to improve coverage. Respondents strongly supported using Medicare's leverage to negotiate pharmaceutical drug prices (81%) and filling in the so-called Medicare "doughnut hole"—the Medicare Part D coverage gap, through which beneficiaries are responsible for all of their covered drug costs—through some combination of increased copayments, government funding, and drug price discounts (79%). There was also strong support (83%) for eliminating the two-year waiting period currently required of 1.8 million disabled beneficiaries before they become eligible for benefits. Delaying coverage for them can have dire consequences—both financial and physical.

"While these responses confirm that Medicare has been a tremendous success in fulfilling its basic mission," said Karen Davis, president of The Commonwealth Fund, "they also indicate that it is important for Medicare to take the lead in developing innovative approaches to improving health system performance."

Other findings from the survey include:

- More than three-quarters (76%) of respondents favor reducing overpayments to Medicare Advantage plans. Payments to these plans are projected to exceed corresponding costs in traditional fee-for-service Medicare by 13 percent in 2009.
- Sixty-five percent of respondents feel that bundled payments—a single payment for all the services provided to a beneficiary for an episode of care or over a period of time—and encouraging beneficiaries to designate a medical home would be effective policies for improving care and reducing costs.
- Nearly three-quarters (74%) of leaders believe older adults ages 50 to 64 should be able to buy Medicare coverage before they become eligible at age 65.
- A strong majority (69%) favor having Medicare offer its own

comprehensive benefit package option as an alternative to Medigap or Medicare Advantage coverage.

- Nearly all (91%) health care opinion leaders support a requirement that Medicare providers participate in developing state, regional, and national all-payer databases to aid in research, policy development, and monitoring and evaluation.
- By a clear margin, opinion leaders do not favor strategies that shift costs to beneficiaries or reduce payments across the board. Only 42 percent support offering a high-deductible health plan and 36 percent approve of requiring Medicare beneficiaries to pay a higher share of costs. Capping federal spending was similarly unpopular (26%), as was reducing payments to providers (19%).

Source: Commonwealth Fund ([news](#) : [web](#))

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