



Health Care Opinion Leaders' Views on Medicare Reform

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ABSTRACT: According to the latest Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, more than eight of 10 leaders in health care and health care policy believe Medicare has been successful at accomplishing two major goals—providing beneficiaries with access to basic medical care and providing stable, predictable coverage over time. Several of the Medicare proposals being discussed in Congress as part of comprehensive reform legislation, including expanding the power of the Secretary of Health and Human Services to put payment pilots on a “fast track” and to work with other parties to implement multipayer payment initiatives, are supported by most opinion leaders. Respondents also voiced strong support for using Medicare’s leverage to negotiate pharmaceutical drug prices and creating an independent Medicare advisory council with authority to make payment and benefit design decisions within parameters established by Congress and the president.

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Overview

As Congress continues to craft and debate health reform, Medicare finds itself both a target of reform and a means through which policymakers seek to transform the larger health care system. Persistent spending growth, budgetary pressure, and an aging population have taxed the program’s resources and created concerns over its fiscal future.¹ Nevertheless, the program remains popular among beneficiaries and successful at providing access to needed care and financial protection.² Analysts have noted that as the country’s largest purchaser of services, Medicare is uniquely positioned to encourage efficiency in health care finance and delivery.³

Health reform bills under active consideration in the House of Representatives and Senate include provisions designed to restore fiscal balance to the program and use its strengths to generate larger changes in U.S. health care.⁴ Specific proposals include bundling payments to providers to cover care delivered over a specified period, revising fees to increase compensation for primary care, and offering providers financial incentives to serve as patient-centered

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medical homes.⁵ These strategies seek to stimulate more collaboration among providers, increase accountability for patient outcomes, and encourage efficient use of resources.

In the latest Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey, leaders in health care and health policy were asked for their views on Medicare reform. A large majority of respondents felt the program has been successful in fulfilling two major goals: providing the elderly and disabled access to basic medical care and stable, predictable coverage over time. Despite that success, leaders favored several broad changes, including expanding the scope of the Secretary of Health and Human Services' power to put payment pilots on a fast track, working with other parties to implement multi-payer payment initiatives, and establishing an independent Medicare advisory council. Respondents also strongly supported several policies that focus more specifically on strengthening or expanding how Medicare fulfills its current role, including using Medicare's leverage to negotiate pharmaceutical drug prices, filling in the Medicare Part D coverage gap, and eliminating the two-year waiting period for the disabled.

These views are in line with the recommendations of the Commonwealth Fund Commission on a High Performance Health System, which has a mission to promote better access, improved quality, and greater efficiency across the U.S. health care system. The Commission has put forward an integrated set of payment and delivery system changes in Medicare that, taken together with more far-reaching coverage and system reforms, have the potential to extend affordable health insurance to all and slow the growth of health spending by an estimated \$3 trillion through 2020.⁶ By

encouraging the delivery of more effective and efficient care, the Commission's proposals could yield greater value for health spending, return substantial savings to families, businesses, and the public sector, and place Medicare and the nation on a more sustainable fiscal path.

THE HEALTH CARE OPINION LEADERS SURVEY

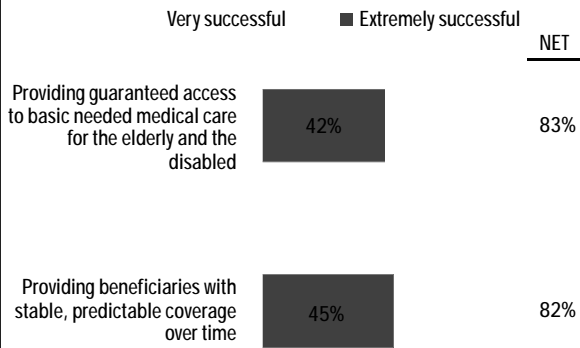
The Commonwealth Fund and *Modern Healthcare* recently commissioned Harris Interactive to solicit the perspectives of a diverse group of health care experts on priorities for Medicare reform. The 215 individuals who took part in the survey—the 20th in a continuing series of surveys assessing the views of experts on key health policy issues—represent the fields of academia and research; health care delivery; business, insurance, and other health industries; and government, labor, and advocacy groups (see Methodology, [http://www.commonwealthfund.org/publications/surveys/2009/09/09/health-care-opinion-leaders-survey-methodology](#)).

More than eight of 10 survey respondents think Medicare has been successful at its two basic objectives. Eighty-three percent of opinion leaders believe Medicare has been very or extremely successful at providing guaranteed access to basic needed medical care for the elderly and the disabled, and 82 percent believe the program has been similarly successful at providing beneficiaries with stable, predictable coverage over time (Figure 1). However, only a small percentage of respondents indicate that Medicare has been successful at helping to decrease income and racial disparities in care or in using its purchasing leverage to control costs, reform the delivery system, or promote high health system performance (Figure 2). These findings suggest that, while the program is fulfilling its two basic objectives, it has not reached full

The Commonwealth Fund/Modern HealthCare Health Care Opinion Leaders Survey was conducted online within the United States by Harris Interactive on behalf of The Commonwealth Fund between September 9, 2009 and October 13, 2009 among 1,467 opinion leaders in health policy and innovators in health care delivery and finance. The final sample included 215 respondents from various industries, for a response rate of 16.0 percent. Data from this survey were not weighted. A full methodology is available in [http://www.commonwealthfund.org/publications/surveys/2009/09/09/health-care-opinion-leaders-survey-methodology](#).

Figure 1. Medicare's Success in Achieving Major Goals

"How successful has Medicare been in accomplishing each of the following specific objectives?"



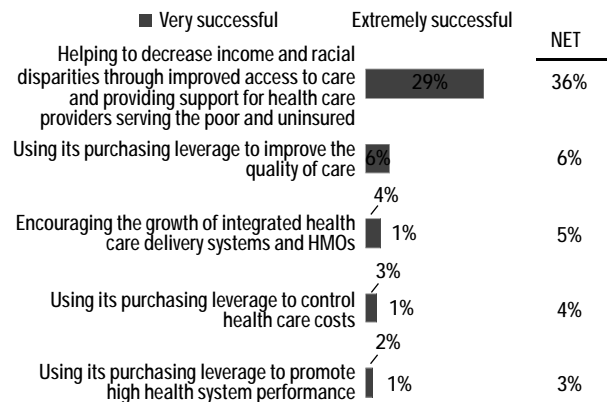
Source: Commonwealth Fund Health Care Opinion Leaders Survey, October 2009.

potential in controlling costs and promoting high health system performance in the United States.

Opinion leaders overwhelmingly support expanding the power of the Secretary of Health and Human Services to put payment pilots on a “fast track” and implement multipayer initiatives. Nearly all survey respondents favor expanding the power of the Secretary of Health and Human Services to put payment pilots on a “fast track” (95%) and work with other parities to implement multipayer initiatives (94%) (Figures 3 and 4). Such approaches may help to identify efficient and effective ways to control health care costs while maintaining or improving quality of

Figure 2. Medicare Has Had Limited Impact Changing the Health System

"How successful has Medicare been in accomplishing each of the following specific objectives?"



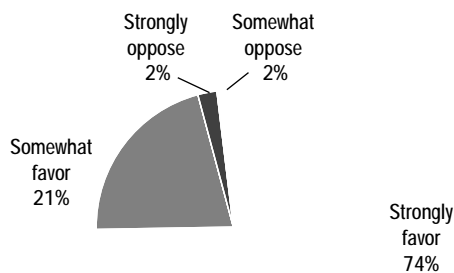
Source: Commonwealth Fund Health Care Opinion Leaders Survey, October 2009.

care. Support was uniform across all respondent categories, including opinion leaders in academic and research institutions, health care delivery, business, insurance, and other health care industry groups, and governments, labor, and consumer advocacy (Table 2).

More than three-quarters of health care opinion leaders support requiring Medicare providers to participate in an all-payer database and reducing Medicare Advantage overpayments. Ninety-one percent of survey respondents favor a requirement that Medicare providers participate in the development of state, regional, and national all-payer databases to provide a foundation for research, policy development,

Figure 3. Expanding the Power of the Secretary of Health and Human Services to Put Medicare Payment Pilots on “Fast Track”

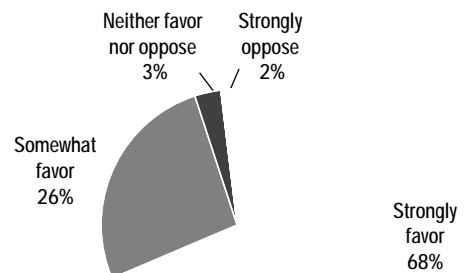
"How strongly would you favor or oppose expansion of the Secretary of Health and Human Services' authority to put Medicare payment pilots that meet appropriate requirements on a 'fast track', with the ability to extend their duration and scope if they appear to be successful?"



Source: Commonwealth Fund Health Care Opinion Leaders Survey, October 2009.

Figure 4. Expanding the Power of the Secretary of Health and Human Services to Work with Other Parties to Implement Multipayer Payment Initiatives

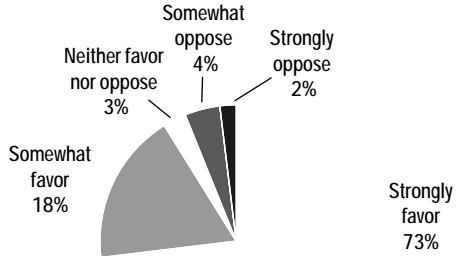
"How strongly would you favor or oppose expansion of the Secretary of Health and Human Services' authority to work with private payers, providers, and other interested parties to develop and implement multipayer payment initiatives (including Medicare, Medicaid, and private payers) in selected areas?"



Source: Commonwealth Fund Health Care Opinion Leaders Survey, October 2009.

Figure 5. Requiring Medicare recipients to participate in an all-payer database for research, policy development, and monitoring and evaluation purposes

“How strongly would you favor or oppose requiring Medicare to participate in the development of state/regional/national all-payer data bases, including Medicare, Medicaid, and private insurance data, to provide a foundation for research, policy development, and monitoring and evaluation?”



Source: Commonwealth Fund Health Care Opinion Leaders Survey, October 2009.

and monitoring and evaluation (Figure 5). Support was substantial even among those who likely would be required to provide data, including leaders in health care delivery (88%) and business, insurance, and other health care industries (86%) (Table 2).

Payments to Medicare Advantage plans in 2009 are projected to exceed corresponding costs in traditional Medicare by 13 percent (\$11 billion, or \$1,100 per enrollee).⁷ In response, comprehensive health reform proposals in the House and Senate include changes to the way private insurers are paid in the Medicare Advantage program.⁸ More than three-quarters (76%) of respondents favor reducing overpayments to match costs in local areas (Figure 6).

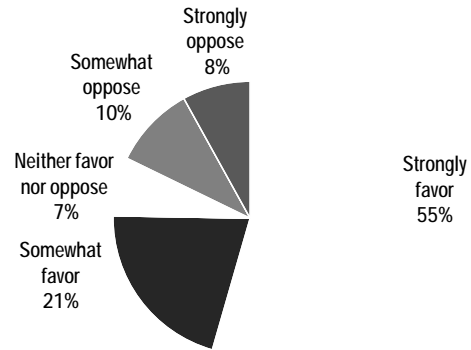
However, support among those in business, insurance, and other health care industries (63%)—those most likely to be affected by reductions—was substantially lower relative to leaders in other respondent categories (Table 3).

Seventy-five percent of survey respondents support creation of an independent Medicare advisory council.

Members of Congress and the administration have discussed the creation of an independent Medicare advisory council with authority to make payment and benefit design decisions within parameters established by Congress and subject to review by the president and Congress. The health reform legislation

Figure 6. Reducing Medicare Advantage Payments to Match Costs in Local Areas

“Payments to Medicare Advantage plans in 2009 are projected to be 13 percent (\$11 billion, or \$1,100 per enrollee) greater than the corresponding costs in traditional Medicare. Policymakers have proposed reducing these payments to correspond more closely to the costs that Medicare Advantage plans face in their local areas. How strongly do you favor or oppose these proposals?”



Source: Commonwealth Fund Health Care Opinion Leaders Survey, October 2009.

reported out of the Senate Finance Committee includes a provision to establish an independent Medicare commission that is projected by the Congressional Budget Office to save \$22 billion over the 10-year period between 2010 and 2019.⁹ Seventy-five percent of opinion leaders support the creation of such a council (Figure 7).

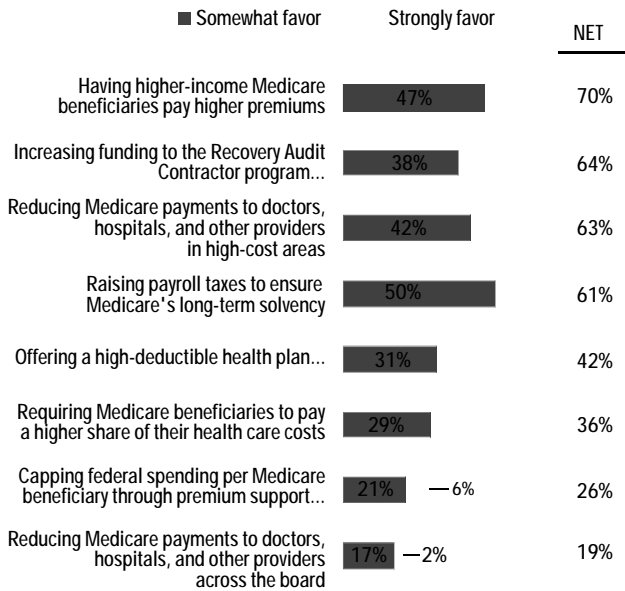
Nearly nine of 10 survey respondents favor allowing the council to collaborate in multipayer initiatives (89%); develop, test, and implement payment reforms rapidly and flexibly (88%); encourage fundamental delivery system reform (86%); and alter beneficiary incentives based on the effectiveness of services, drugs, and devices (86%) (Figure 8). Substantial majorities also favor allowing the council to develop policies that could be applied to Medicare, Medicaid, and other payers to align incentives across the health care system (79%); establish provider participation standards (76%); and meet 10-year targets on spending for beneficiaries (67%).

Nearly eight of 10 leaders favor eliminating the two-year waiting period for the disabled, negotiating pharmaceutical drug prices, and filling in the Medicare Part D “doughnut hole.”

Policymakers have suggested several additional changes to lower costs and expand coverage in the Medicare program. Eighty-three percent of survey respondents favor

Figure 10. Proposed Changes to Improve Medicare's Fiscal Situation

"The Medicare Hospital Insurance Trust Fund is projected to exhaust its resources in 2017. Policymakers have considered several changes to improve Medicare's fiscal situation. How strongly do you favor or oppose each of the following changes to increase Medicare revenues or reduce Medicare spending?"



Source: Commonwealth Fund Health Care Opinion Leaders Survey, October 2009.

Opinion leaders do not favor shifting costs to beneficiaries to improve Medicare's fiscal situation.

With the Medicare Hospital Insurance Trust Fund projected to exhaust its resources in 2017, policymakers have considered several changes to shore up the program's fiscal situation.¹² More than six of 10 survey respondents support having higher-income Medicare beneficiaries pay higher premiums (70%); increasing funding to the Recovery Audit Contractor program to reduce fraud and abuse (64%); reducing payments to doctors, hospitals, and other providers in high-cost areas (63%); and raising payroll taxes to ensure Medicare's long-term fiscal solvency (61%) (Figure 10).

Opinion leaders clearly do not favor strategies that shift additional costs to beneficiaries or reduce payments across the board. Only 42 percent of survey respondents strongly or somewhat favor offering a high-deductible health plan, while just 36 percent favor requiring Medicare beneficiaries to pay a higher share of their health care costs. Meanwhile, capping federal spending per Medicare beneficiary through premium support (26%) or reducing payments to

doctors, hospitals, and other providers across the board (19%) are favored by few opinion leaders.

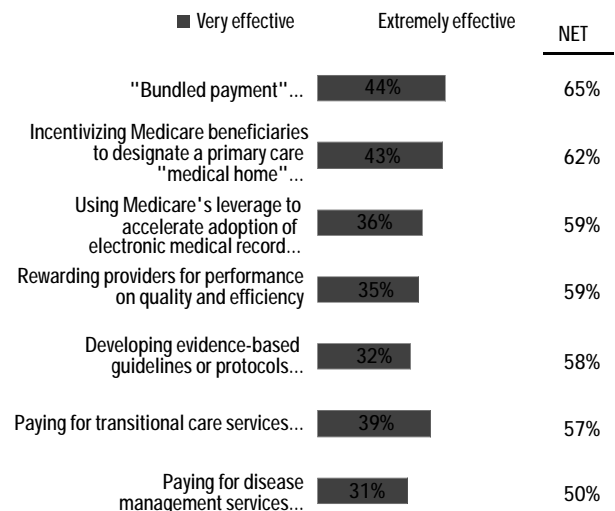
Majorities of opinion leaders support policies to improve care and to reduce Medicare cost growth.

Congress has also considered changes to Medicare policies intended to encourage more coordinated, effective, and efficient health care for its beneficiaries. More than 60 percent of survey respondents feel that moving toward bundled payments (65%)—a single payment for all the services provided to a beneficiary for a specified period—and incentivizing Medicare beneficiaries to designate a primary care "medical home" (62%) would be extremely or very effective policies for improving care and reducing cost growth (Figure 11). Fifty-nine percent of opinion leaders feel that using Medicare's leverage to accelerate the adoption of electronic medical records and rewarding providers for performance on quality and efficiency would be effective cost-control strategies.

A majority of survey respondents report that developing evidence-based guidelines or protocols to help providers (58%) and paying for transitional care services (57%) would be effective strategies to

Figure 11. Policies to Improve Care and Reduce Medicare Cost Growth

"Policymakers also have considered changes to Medicare policies that would be intended to encourage more coordinated, effective, and efficient health care for its beneficiaries. How effective do you think each of the following policies would be in improving care and reducing Medicare cost growth?"



Source: Commonwealth Fund Health Care Opinion Leaders Survey, October 2009.

improve care quality and reduce cost growth. However, leaders are split about the efficacy of disease management programs (50%), a focus of several payment demonstration projects in recent years.

THE PATH TO A HIGH PERFORMANCE HEALTH SYSTEM

Health care opinion leaders agree that Medicare has been successful at accomplishing its two major goals: providing beneficiaries with access to basic medical care and stable, predictable coverage over time. However, while the program is fulfilling its two basic objectives, it has not reached its potential in controlling costs and promoting high health system performance in the United States. Moreover, persistent spending growth, budgetary pressure, and an aging population have taxed Medicare's resources and fueled concerns over its fiscal future.

In order to continue to ensure access to needed care and financial protection for beneficiaries and provide a foundation for far-reaching reforms to improve

the quality and efficiency of care, the Commonwealth Fund Commission on a High Performance Health System has put forward an integrated set of Medicare payment and delivery reforms that, when taken together with comprehensive coverage and system reform, has the potential to put the program on a more sustainable fiscal path and move the entire U.S. health system toward high performance.

Many of the Commission's reform strategies are endorsed by survey respondents. Bundling payments to cover care over a specified period, revising fees to increase compensation for primary care, and offering providers financial incentives to serve as patient-centered medical homes are all favored strategies for encouraging more collaboration among providers, increasing accountability for patient outcomes, and incentivizing efficient use of resources. Building on these areas of consensus, Medicare can continue to be a key means both for providing coverage to the elderly and disabled and for propagating needed change throughout the U.S. health system.

- ¹ The Kaiser Family Foundation, *Medicare at a Glance*, (Menlo Park: The Kaiser Family Foundation, Nov. 2008).
- ² K. Davis, S. Guterman, M. M. Doty, and K. M. Stremikis, “Meeting Enrollees’ Needs: How Do Medicare and Employer Coverage Stack Up?” *Health Affairs* Web Exclusive, May 12, 2009: w521–w532.
- ³ S. Guterman, K. Davis, S. C. Schoenbaum, and A. Shih, “Using Medicare Payment Policy to Transform the Health System: A Framework for Improving Performance,” *Health Affairs* Web Exclusive, Jan. 27, 2009: w238–w250.
- ⁴ S. R. Collins, K. Davis, R. Nuzum, S. D. Rustgi, S. Mika, and J. L. Nicholson,

(New York: The Commonwealth Fund, Oct. 2009).
- ⁵ K. Davis et al., *Starting on the Path to a High Performance Health System: Analysis of Health System Reform Provisions of House of Representatives and Senate Health Reform Bills*, (New York: The Commonwealth Fund, forthcoming Nov. 2009).
- ⁶ The Commonwealth Fund Commission on a High Performance Health System,

(New York: The Commonwealth Fund, Feb. 2009).
- ⁷ B. Biles, J. Pozen, and S. Guterman,

(New York: The Commonwealth Fund, May 2009).
- ⁸ S. R. Collins et al.,

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- ⁹ K. Davis et al., *Starting on the Path to a High Performance Health System*, 2009.
- ¹⁰ S. Guterman and H. Drake,

(New York: The Commonwealth Fund, May 2009).
- ¹¹ S. R. Collins et al.,

, 2009.
- ¹² Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, *The 2009 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds* (Washington, D.C.: Centers for Medicare and Medicaid Services, May 2009).

This survey was conducted online by Harris Interactive on behalf of The Commonwealth Fund among 215 opinion leaders in health policy and innovators in health care delivery and finance within the United States between September 9, 2009, and October 13, 2009. Harris Interactive sent out individual e-mail invitations to the entire panel containing a password-protected link and a total of four reminder emails were sent to those that had not responded. No weighting was applied to these results.

The initial sample for this survey was developed using a two-step process. The Commonwealth Fund and Harris Interactive jointly identified a number of experts across different professional sectors with a range of perspectives based on their affiliations and involvement in various organizations. Harris Interactive then conducted an online survey with these experts asking them to nominate others within and outside their own fields whom they consider to be leaders and innovators in health care. Based on the result of the survey and after careful review by Harris Interactive, The Commonwealth Fund, and a selected group of health care experts, the sample for this poll was created. The final list included 1,246 individuals.

In 2006, The Commonwealth Fund and Harris Interactive joined forces with *Modern Healthcare* to add new members to the panel. The Commonwealth Fund and Harris Interactive were able to gain access to *Modern Healthcare*'s database of readers. The Commonwealth Fund, Harris Interactive, and *Modern Healthcare* identified readers in the database that were considered to be opinion leaders and invited them to participate in the survey. This list included 1,467 people. At the end of 2006, The Commonwealth Fund and Harris Interactive removed those panelists who did not respond to any previous surveys. In 2007 recruitment for the panel continued, with *Modern Healthcare* recruiting individuals through its *Daily Dose* newsletter. In addition, Harris Interactive continued to recruit leaders by asking current panelists to nominate other leaders. The final panel size for the Medicare Reform survey included 1,342 leaders. With this survey we are using new definition of the panel. Two hundred fifteen of these panelists completed the survey, for a 16.0 percent response rate.

With a pure probability sample of 215 adults one could say with a 95 percent probability that the overall results have a sampling error of ± 6.68 percentage points. However, that does not take other sources of error into account. This online survey is not based on a probability sample and therefore no theoretical sampling error can be calculated.

The data in this brief are descriptive in nature. They represent the opinions of the health care opinion leaders interviewed and are not projectable to the universe of health care opinion leaders.

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