

Medicare technical panel

Meeting December 19-20, 2016

Overview

According to Federal Register, official objectives and scope of Panel include:

1. Long term rate of growth
2. Sustainability of key Medicare cost growth factors under current law
3. Future changes in utilization of care.
4. Transition from short-range to long-range projections
5. Current and alternate projection methodologies including the high and low cost options.
6. Recommendations for areas of future research to improve the long term projection methods such as incorporating trends in health status

1. Long term rate of growth

- A single question was posed to the panel – “Are assumptions appropriate?”

2. The sustainability of key cost growth factors under current law

- What additional analysis should support sustainability?
- Does the language in the overview adequately describe the future uncertainty for the Medicare program around sustainability?
- Is there value in producing an alternative to current law?
- If so, what are appropriate assumptions to support the alternative scenario?

3. Future changes in utilization of care

- Should site-shifting be projected in the long-range?
- Should prescription drug spending grow at different rates than medical indefinitely?
 - Currently only does under current law; grows same under illustrative alternative
- How should significant new developments (Rx or other) be reflected in projections when effects more likely to be experienced in mid-to long-range?

4. Transition from short-range to long-range

- Is an intermediate period needed to transition?
- If warranted, what is a logical time period? Currently 15 years.
- If warranted, is a linear transition appropriate?
- If there is no transition, how can year 10 to 11 incongruities be handled?

5. Current and alternate projection methodologies including the high and low cost options

- Does it make sense to use low-cost/high-cost assumptions chosen by Trustees based on OASDI impact?
- Should TR return to 10-year stochastic modeling for part B?
- Should impact of health care spending on mortality be incorporated into low-cost and high cost projections?

Major topics in this meeting

- Sustainability
- Changes in utilization
- Will update progress on issues raised in earlier meetings. This will touch on transitions, uncertainty, and presentation issues

| Day 1 | |
|---------------|---|
| 9:30 - 10:00 | Review meeting minutes & goals for the meeting |
| 10:00 - 11:30 | Speaker - Mike Chernew on long term medical spending growth and sustainability issues |
| 11:30 - 12:00 | Panel discuss follow-up/action items from Chernew presentation |
| | Check in on APMs (action item from last meeting) |
| | What are the benefits of speaker from CMMI? |
| 12:00 -12:45 | Lunch |
| 12:45 - 2:15 | OACT presentation on age and time to death adjustment on spending |
| 2:15 - 2:30 | Questions to OACT regarding transition modeling shared with Panel |
| 2:30 - 2:45 | Break |
| 2:45 - 4:30 | Panel discussion of sustainability - assumptions & presentation |
| | Assumptions - Greger on impact of payment changes |
| | Assumptions - Ellen on productivity |
| | Presentation issues- Kate on presentation of illustrative alternative |
| | Presentation issues - Mark on access & check-in on excess burden |
| | General discussion |

| Day 2 | |
|---------------|---|
| 9:00 - 10:00 | Panel discussion of long range growth assumptions |
| | Assumptions - Austin update on MA spillovers recommendation |
| | Assumptions - Ellen update on spending by age |
| 10:00 - 10:45 | Open discussion on shifting utilization and pharmaceuticals |
| | Update on action items from last time (intensity of services) |
| | Assumptions - Dale on part D and pharmaceutical assumptions |
| | Assumptions - group discussion (questions for Murray Aitken) |
| 10:45 - 11:00 | Break |
| 11:00 - 12:00 | Murray Aitken of IMS on long run pharmaceutical spending |
| 12:00 - 12:45 | Lunch |
| 12:45 - 2:30 | Panel discussion of uncertainty, transition and next steps |
| | Presentation - Mike & Geoff overview on presentation issues |
| | Presentation - Ellen on uncertainty |
| | Action items for next meeting: February 7-8 |
| 2:30 | Adjourn |

Goals

- Panel members drafted recommendations
- In most cases, this was done to stimulate conversation
- Goal of this meeting is NOT to agree on recommendations
 - Discussion of what information would justify continuing or tabling recommendations