



**STATEMENT OF**  
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**ON**  
**“OVERSIGHT OF 1-800-MEDICARE CALL CENTERS”**

**BEFORE THE**  
**SENATE SPECIAL COMMITTEE ON AGING**

**September 11, 2008**



**Testimony of  
Kerry Weems  
Acting Administrator  
Centers for Medicare & Medicaid Services  
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Good morning Senator Smith, Chairman Kohl and distinguished members of the Committee. I am pleased to be here today to discuss the Centers for Medicare & Medicaid Services’ (CMS’) outreach efforts in providing Medicare beneficiaries with accurate and up-to-date benefit information and explain the many avenues by which this information is disseminated. CMS uses a multi-pronged education and outreach strategy to enable people with Medicare to make informed decisions about their unique and individualized health care needs. CMS directly provides program information to Medicare beneficiaries through the *Medicare & You* Handbook which is sent every year to each Medicare beneficiary; through our Web site, [www.medicare.gov](http://www.medicare.gov), where beneficiaries can access a variety of information related to their benefits; and through 1-800-MEDICARE, where beneficiaries can speak with a Customer Service Representative (CSR) about their specific needs. In addition, CMS works collaboratively with our community partners to provide outreach to beneficiaries and their caregivers at the local level.

The 1-800-MEDICARE arm of our outreach strategy is a toll-free line that beneficiaries can use for help on all aspects of the Medicare program. Services are available 24 hours a day, 7 days a week in over 50 languages and Telecommunications Device for the Deaf (TDD). Our call centers are projected to handle over 29 million calls this year. In addition to oral conversations, CSRs provide written responses to emails and other beneficiary correspondence. 1-800-MEDICARE also refers more than 100,000 calls per month to other sources of information when appropriate, such as CMS Regional Office caseworkers and State Health Insurance Assistance Programs (SHIPs). Overall, the

operation makes an impressive array of services available to approximately 45 million Medicare beneficiaries in 2008. While beneficiary satisfaction rates with 1-800-MEDICARE are at least 80 percent, we continue to make improvements based on internal reviews of actual calls with beneficiaries, and feedback from Congress and other stakeholders. We welcome feedback that helps to identify any aspect of our call center operations or other outreach efforts that we can improve as we continue our mission to educate and protect Medicare beneficiaries.

### **History of 1-800-MEDICARE**

1-800-MEDICARE was initially developed to respond to inquiries about the new Medicare +Choice program mandated by the Balanced Budget Act of 1997. Before that, Medicare beneficiaries were required to make calls to a variety of entities depending on the type of inquiry. In November 1998, the 1-800-MEDICARE call center operation began as a pilot program in five States. It was expanded nationally in March 1999, resulting in our first full year call volume in 2000 of 3.69 million calls.

Enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), which included the creation of the Medicare Prescription Drug Program (Part D), changed forever the way that CMS interacts with beneficiaries. The expansion of choices brought about by the drug benefit and Medicare Advantage meant CMS and our partners would have to respond to many more queries about a greater range of benefit-related topics. Since early 2004, 1-800-MEDICARE has handled millions of inquiries on the initial drug discount cards and then subsequent drug benefit enrollment. The MMA also gave CMS the green light to consolidate the operations of our 70 fee-for-service claims processing contractors to implement standardized call center practices for beneficiary inquiries. In the past, these contractors had been responsible for responding to beneficiaries' questions that were specific to their claims.

In September 2007, all these services were consolidated into the Beneficiary Contact Center (BCC) which encompasses all 1-800-MEDICARE operations and is operated by one contractor. 1-800-MEDICARE has existed in its current form for only one year. The

BCC has become a huge operation with a projected call volume in 2008 at over 29 million calls. In fewer than 10 years, we have increased the operational capacity almost eight-fold. The phenomenal growth has been a result of significant changes in the Medicare program and extensive outreach to teach beneficiaries to call 1-800-MEDICARE for information on all aspects of their Medicare inquiries.

As it has matured, the number of calls handled by 1-800-MEDICARE has dramatically grown. From 1999 to 2003, yearly call volumes were approximately 5 million calls or less. With the implementation of the Part D program, the call volume skyrocketed. In 2004 and 2005, call volumes were 20.2 million and 28.2 million, respectively. The increased call volume was due to the issuance of the Medicare Approved Drug Discount Cards. In 2006, the implementation of the Part D program resulted in a dramatic spike in call volume to 37.5 million with calls leveling off at approximately 30 million in 2007 and 2008. 1-800-MEDICARE has evolved to move CMS from a passive bill payer to an active partner with our beneficiaries.

### **Call Center Operations**

As with virtually all similar call centers, callers to 1-800-MEDICARE are greeted by an interactive voice response unit, or IVR. The 1-800-MEDICARE IVR provides callers the ability to access certain pre-recorded information and routes callers who need or wish to speak with a CSR. The IVR technology is designed to further improve the efficiency of our operations and enable a portion of our callers to “self-serve” and receive the information they need without having to speak with a CSR. Approximately 20 percent of beneficiaries have their questions answered through the IVR technology system.

In situations where we are not able to completely serve the caller in the IVR, the caller is seamlessly routed to the CSR who is best able to handle the specific topic. Further, the IVR technology is integrated with the computer desktop application in such a way that any time a caller chooses to speak with a CSR, his or her individual information is automatically populated on the desktop of the CSR to improve the efficiency of the call flow and reduce caller frustration.

CMS uses contractor staff to answer calls and manage the infrastructure at the 1-800-MEDICARE call centers. This strategy allows CMS to be highly responsive to call spikes that often accompany annual election periods and various Medicare campaigns that require rapid increases in resources. For example, in recent years, the CSR staff in our centers has ranged from as few as 400 individuals to as many as 7,800. With staffing swings of this magnitude, it is not cost effective to employ a federal employee staffing model.

CSRs are charged with understanding and explaining the Medicare program to beneficiaries. All new CSRs receive a minimum of three weeks classroom training, quality monitoring and follow-up coaching to ensure peak performance when interacting with beneficiaries. CSRs must pass a written examination and be certified using test calls prior to taking live calls. The call centers use a tiered system of responding to questions depending on call complexity, with specialized CSRs handling more complex questions.

We utilize a scripted content approach to provide beneficiaries with consistent and accurate information. Prior to implementing a scripted content approach in our call centers, we had problems maintaining the quality and consistency of our responses. By investing some of our resources into technology, we have designed a process to assist CSRs so they can easily find information on a vast array of topics ranging from claims payment status to Medicare policies and procedures. By marrying this type of technology with our Beneficiary Contact Center, we have been able to provide up-to-date and accurate answers to callers and achieve a level of consistency in our responses that until just recently was simply not possible.

There are five call center locations across the United States employing an average of more than 3,000 CSRs ready to assist Medicare beneficiaries. This year an additional call center will be opened in September to accommodate the increase in call volume generated by the Annual Election Period for 2009.

## **Business Strategy**

The CMS 1-800-MEDICARE business model is designed to give the highest level of customer service to Medicare beneficiaries. In managing a call center operation of this magnitude, it is incumbent upon CMS to make business resource and operational decisions while carefully considering a multitude of other Medicare program needs. When making decisions about where and in what manner to best apply resources, CMS focuses on the broad needs of our beneficiaries, providers, plans, and partners. Following ongoing reviews of recorded calls with real beneficiaries, CMS strives to continuously improve service, lower costs, and provide answers to the public through the most cost-efficient channels possible. We believe that by focusing our resources on managing a carefully designed and closely integrated set of services and activities we can best serve the needs of our constituency. While the 1-800-MEDICARE call center is a valuable tool in educating and communicating with beneficiaries and their caregivers, it has never been our goal to meet the needs of all beneficiaries by attempting to provide each and every answer through a CSR. Instead, we have implemented an integrated set of technical systems and operational practices that when combined, provide information to our diverse population of beneficiaries in the most accurate and efficient manner possible.

We continue to explore and implement ways to more efficiently use existing resources allocated for 1-800-MEDICARE while improving the experience for beneficiaries. To that end, an increasing number of callers are now able to use the IVR to check claim status and receive basic information. Beneficiaries can search the [www.medicare.gov](http://www.medicare.gov) Web site to find general information related to Medicare, or they can sign up for the [www.mymedicare.gov](http://www.mymedicare.gov) portal in order to check on more personalized information.

## **Quality Assurance**

CMS appreciates the Committee's interest in ensuring 1-800-MEDICARE meets the needs of people with Medicare. We strive to improve all aspects of a caller's experience and we welcome input into how the system can be improved. To that end, we are constantly evaluating ways in which to enhance the system and updating our CSR scripts to ensure information is clearly communicated. The BCC contractor performs ongoing

quality assurance and monitoring activities to help ensure quality interactions occur with Medicare beneficiaries, their families, and caregivers across multiple channels. These activities focus critical attention on CSR performance across all channels including telephone, written correspondence, e-mail, and Web chat. Calls are closely monitored and the quality monitoring that is performed is then used by the contractor to coach and provide feedback to individual CSRs. Additionally, an independent contractor examines calls to assess quality from a global perspective and identifies areas in need of particular attention.

If a CSR is not satisfactorily meeting work expectations, the BCC contractor provides various forms of coaching and feedback related to the area identified for improvement. If there is limited or no improvement after oral coaching, the CSR is placed on a written Performance Improvement Plan (PIP). If there is no improvement under the PIP, the contractor will work to release the CSR from the BCC.

### **Other Educational and Informational Resources**

Although 1-800-MEDICARE is an important resource for many beneficiaries, CMS funds a variety of other resources to help beneficiaries and their caregivers obtain information about their Medicare benefits. For example, the *Medicare & You* Handbook, an annual publication mailed to approximately 40 million Medicare beneficiaries, provides both general information about the Medicare program as well as geographically specific information about plan offerings. The handbook contains important information about costs, covered services, beneficiary choices, extra help for those with limited income and resources, and beneficiary rights and protections. It is available in both English and Spanish.

CMS' comprehensive Web site, [www.medicare.gov](http://www.medicare.gov), allows individuals to search a variety of Medicare-related topics such as eligibility requirements, plan offerings, local provider comparisons, and Medicare billing and appeals. It also provides lists of helpful phone numbers and Web sites. This extensive Web site is updated regularly and is accessible 24 hours a day, 7 days a week.

We realize, however, not all beneficiaries have access to the internet, but more importantly, that some beneficiaries require additional, face-to-face assistance when they have questions about Medicare. That is why CMS works collaboratively with hundreds of partner groups that work with and serve beneficiaries in local communities to provide culturally competent information in a welcoming environment. At more than 30,000 events held nationwide in 2007, Medicare worked closely with such organizations a network of state, local and community service providers to offer enrollment counseling and sign-up opportunities.

In June 2008, CMS announced that it was providing an additional \$15 million for a total of \$54.3 million in fiscal year 2008 to SHIPs to help people with Medicare get more information about their health care choices. SHIPs are state programs that use community-based networks to provide Medicare beneficiaries with local, personalized assistance on a wide variety of Medicare and health insurance topics. A significant accomplishment of the SHIPs has been their wide success in helping to educate many of the nation's 45 million Medicare beneficiaries about Medicare including their prescription drug coverage options so that they can make health care choices that best meet their needs.

In support of the Annual Election Period for the 2008 benefit year, the 2007 CMS Mobile Office Tour visited 128 communities across the nation reaching out to beneficiaries and sharing information about Medicare and other health promotion activities. The Tour highlighted the personalized assistance provided by the many thousands of partners across the country that helps beneficiaries compare drug and plan options and change enrollment if necessary.

In an effort to reach individuals who may qualify for the Part D low-income subsidy (LIS), CMS launched a 2008 Spring LIS Campaign to increase awareness and applications submitted to the Social Security Administration for the Medicare Part D LIS. This special outreach was aimed at individuals without Medicare Part D coverage who

potentially qualify for the LIS. On May 16, 2008, CMS hosted a LIS Partnership Summit to share outreach plans and ideas to effectively engage individuals who may qualify for extra help.

CMS is launching an initiative this fall to begin a conversation with people who provide care for a loved one, friend or neighbor. The *Ask Medicare* initiative will provide information, tools and materials to assist caregivers and their loved ones in making informed health care decisions. This launch will take place on September 18th, through a live webcast in conjunction with a number of key partner organizations at the Newseum in Washington, DC.

### **Enhancements to 1-800-MEDICARE**

In our effort to continue to improve 1-800-MEDICARE, CMS is working to implement several enhancements to the system in order to better serve callers. These should all be operational within the next year. We are simplifying the Prescription Drug Plan Enrollment algorithms to better identify beneficiary eligibility for special election periods. A virtual callback option is also being deployed which will allow callers to have an automated system call them back while maintaining their place in the queue to speak with a CSR. An improved Learning Management System is being implemented which will allow us to identify training needs of CSRs and disseminate information to those CSRs and call centers. Finally, as part of our next release in the IVR, we will begin playing proactive messages tailored to both the beneficiary's particular plan enrollment and also to the time of year the beneficiary is calling.

### **Conclusion**

Thank you for the opportunity to speak with you today about the Committee's ongoing interest in ensuring that 1-800-MEDICARE provides effective and timely answers to callers.

No 1-800 number system can be designed to perfectly meet the varying needs of 45 million possible users, but CMS has intentionally built 1-800-MEDICARE as a fluid

resource that can evolve and be responsive to the current needs of beneficiaries, their families, and caregivers. Feedback from advocates, community partners, and Congress is welcome and incorporated on a regular basis in order to improve and sustain our call center operations. CMS will continue to work with our partners in the coming months to ensure that 1-800-MEDICARE maintains its place as a valuable resource for all people with Medicare.

I welcome any additional questions that you may have.