Senator John Breaux
Opening Statement

Disease Management and Care Coordination: What Role Can They Play in Improving the Quality of Life for Medicare's Most Vulnerable?

Special Committee on Aging
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Good morning and thank you all for coming. Today's hearing on disease management and coordinated care was called in order to educate and inform Congress and the American public about a health care model which not only improves care for patients, but is also cost effective. Private sector health care providers realized early on that preventive services lead to healthier patients and lower costs. Unfortunately, Medicare has not gotten the message. Astoundingly, over $45,000 per patient is spent annually on less than six percent of its' beneficiaries! This small group accounts for 50 percent of the program's budget. Today our distinguished panels will discuss the ways in which these programs are currently being utilized in the private sector and also how this model may be incorporated into the traditional, fee-for-service Medicare program.

Disease management programs are valuable to both physicians and patients. By educating people about their illness, disease management programs empower patients and provide a mode of care that prevents the complications often associated with chronic diseases. Medicare beneficiaries who suffer from chronic illnesses such as diabetes, hypertension, and congestive heart failure often undergo repeated and costly hospitalizations. In fact, three-quarters of all Medicare fee-for-service costs can be accounted for by just 12 percent of its beneficiaries! While some of these beneficiaries are among our nation's frailest and oldest and require coordinated, specialized geriatric care, many could avoid repeat hospital visits if they were enrolled in a disease management program.

Unfortunately, the traditional Medicare program lags behind the private sector in providing this sort of cost effective, preventative health care. As part of the Balanced Budget Act of 1997 I authored a provision to educate diabetics about the self-management of their disease and supported a mandate to conduct coordinated care demonstrations. More recently, the Senate Finance Committee passed the Benefits Improvement and Protection Act which included a provision to conduct demonstration disease management programs targeting diabetes, congestive heart failure, and coronary heart disease within the traditional fee-for-service program. Medicare + Choice programs have been more progressive. According to a recent survey virtually all Medicare + Choice plans offer at least one disease management program, with the average plan offering four such programs.

As the aging baby boom generation enters the Medicare system the number of chronically ill beneficiaries is expected to dramatically increase. It is imperative that Congress modernizes the Medicare system in a way that not only provides 21st century health care, but does so in a financially responsible manner. Incorporating disease management programs into the system could lead to improved health care outcomes and lower costs. Again, I welcome our witnesses to the Committee and I look forward to learning from their insights and experiences in the field of disease management.