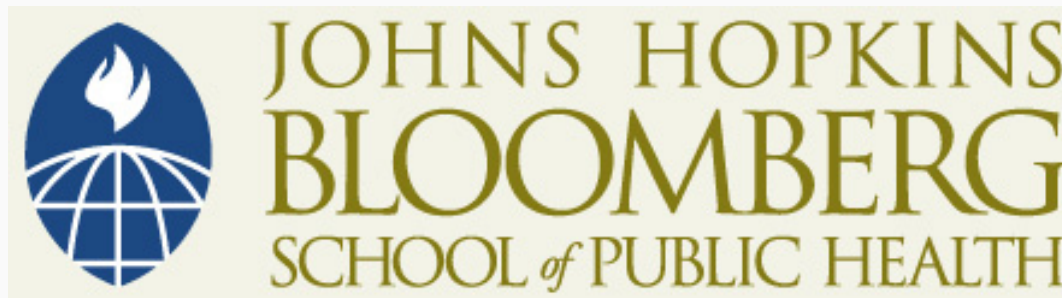


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What Public Health Policy Do YOU Personally Want to Change?

Gerard F. Anderson, PhD
Johns Hopkins University



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Section A

Overview: Interests of the JHSPH Department of Health Policy

My Current Public Health Policy Concerns

- People with chronic conditions are being treated by system designed to provide acute care
- Prices for medical services are much higher in the U.S. but outcomes are not necessarily better
- International funding agencies should allocate more resources towards chronic diseases
- Prices paid by the uninsured for hospital care are much higher than the insured pay

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Some of the Policy Concerns of Faculty in the HPM Department

- Compliance with prevention guidelines
- Injury prevention
- Public health preparedness
- Promotion of physical activity
- Gun safety
- Health care is available to everyone
- Well being of seniors
- Eliminating disparities

Advocating for Specific Issues

- What is the most effective way to advocate for specific issues?

The NEW ENGLAND JOURNAL of MEDICINE

SOUNDING BOARD

Medicare and Chronic Conditions

Gerard F. Anderson, Ph.D.

When the Medicare program became operational in 1966, its primary orientation was the treatment of acute, episodic illness.^{1,2} The design of the program's benefits, coverage policies, payments to providers, and criteria for determining medical necessity were all oriented toward the treatment of acute diseases. Medicare retained this orientation for the next 40 years in spite of the growing number of Americans with chronic conditions.^{3,4} The Medicare Prescription Drug Improvement and Modern-

tion-drug benefit.⁶ Coverage of prescription drugs can be viewed as part of a larger initiative to make the Medicare program more responsive to the needs of beneficiaries with chronic conditions (Table 1).

Section 721 created the Chronic Care Improvement Program, which represents an important new initiative to improve the quality of care for beneficiaries with chronic conditions in the Medicare fee-for-service program.⁷ It is not a demonstration program but a newly covered service. Initially, a pilot

HEALTH SPENDING & IT

Health Care Spending And Use Of Information Technology In OECD Countries

The United States is an outlier in both its health spending and its use of health information technology.

by Gerard F. Anderson, Bianca K. Frogner, Roger A. Johns, and Uwe E. Reinhardt

Senate Democratic Policy Committee Hearing

“An Oversight Hearing on Providing Relief to Seniors Who Have Fallen into the Prescription Drug ‘Donut Hole’”

July 17, 2006

Gerard Anderson

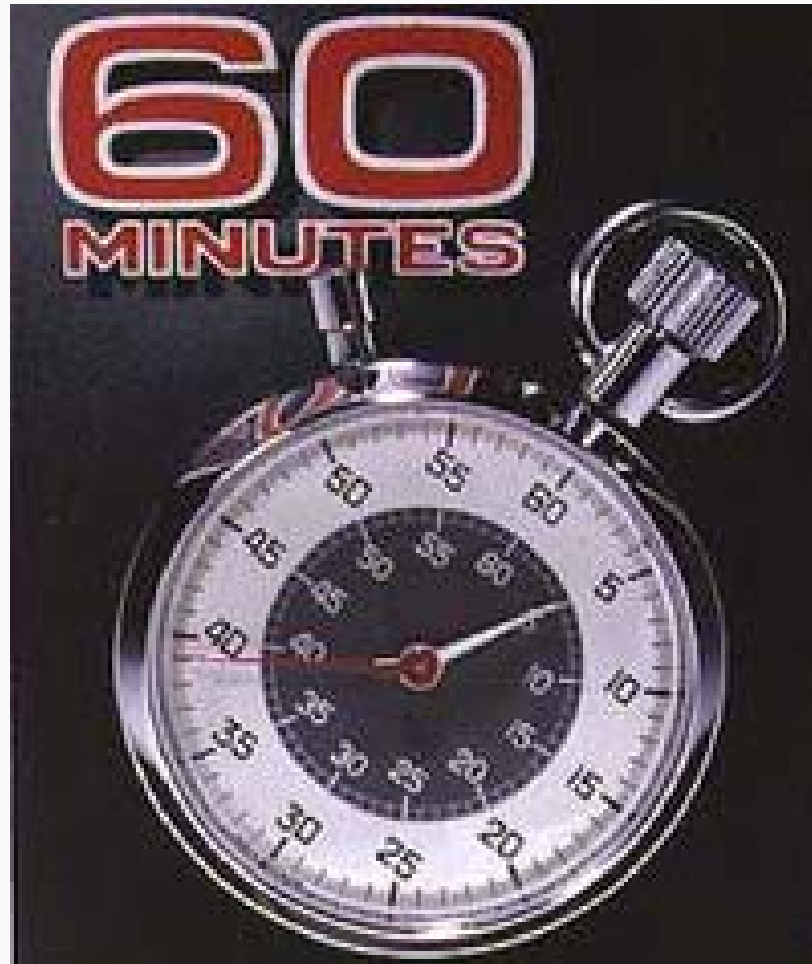
Johns Hopkins University School of Public Health

Senator Dorgan and members of the DPC, thank you for inviting me to testify today. I am Gerard Anderson, a professor of Public Health and Medicine at Johns Hopkins University and Director of the Johns Hopkins Center for Hospital Finance and Management. Several months ago the DPC had hearings on Medicare Part D and in that hearing I discussed the “donut hole.” Today I would like to emphasize how the donut hole could be eliminated if the prices the Medicare program paid for drugs were lowered and why the private sector will be less successful in lowering drug prices than the Medicare program itself.

With the passage of the Medicare Modernization Act, Congress began the long overdue transformation of the Medicare program from one oriented around providing acute, episodic care to one oriented towards providing ongoing, chronic care. This transformation of the Medicare program is critical because two-thirds of Medicare spending is by beneficiaries with 5 or more chronic conditions. The next steps I believe Congress should consider in the transformation of the Medicare program are outlined in an article I wrote in the New England Journal of Medicine last summer. I have attached a copy to my testimony.

Today, I would like to talk about one aspect of the Medicare Modernization Act that is especially important for Medicare beneficiaries with multiple chronic conditions, the so called “donut hole” or large gap in coverage in the current Medicare Part D benefit. As you know, Medicare covers 75% of the cost of prescription drug spending from \$0 to \$2,250, there is no real Part D coverage from \$ 2,250 to \$5,100, and then there is 95% coverage when prescription drug expenditures exceed \$5,100. According to data from Tricia Neuman of the Kaiser Family Foundation, nearly 95% of all prescription drug plans approved by Medicare have a “donut hole.” The plans that fill in the “donut hole” are very expensive and are not affordable by most Medicare beneficiaries.

The gap in coverage is especially onerous for the 23 percent of Medicare beneficiaries with 5 or more chronic conditions because they fill an average of 50 prescriptions during the year and nearly all of them will be impacted by the “donut hole.” Today you are hearing from several of these individuals. Unfortunately, many of the beneficiaries with multiple chronic conditions are too sick to testify today.



Policy Development often Requires Analytic Methods

- Most faculty in the department have ...
 - One or more areas of policy interest and they use specific methodological tools to promote/investigate/evaluate their policy interests

My Methodological Tools

- Analysis of large datasets
- Health care finance/economics

Some of the Methodological Tools Taught in HPM

- Survey design
- Organization and management
- Cost effectiveness
- Measuring quality of life/quality of care
- Health care economics
- Ethics
- Program evaluation
- Policy process

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Section B

What Do the Policy Leaders Think are the Unaddressed Concerns in Public Health?

The Future of the Public's Health in the 21st Century

- An Institute of Medicine committee developed 34 specific recommendations to improve the public's health
- In your opinion, do they address the most important issues?

Priority Setting

- Which of the 34 recommendations would YOU decide to tackle first?

- How would YOU promote the implementation of this recommendation?

Class Overview

- Alternative models of policy process
- Detailed discussion of rational policy process
- Presentations by participants in policy process
- Methods used by policy analysts and policy makers

Different Models to Understanding the Policy Process

1. Rational
2. Garbage can
3. Incrementalism
4. Cycle

One Example of Rational Policy Process—Eight Fold Path

1. Define the problem
2. Assemble some evidence
3. Construct the alternatives
4. Select the evaluation criterion
5. Project the outcomes
6. Confront the tradeoffs
7. Decide
8. Tell your story

Analytic Methods Used in Developing Rational Public Health Policy

- Political/legal/ethical
- Need/demand
- Economic/financial
- Assessment/evaluation

Grading and Final

- Five-page paper concerning the Eight-Fold Path and policy issue questions
- Final exam
 - Short questions
 - Write an article on an issue in which you are particularly interested
 - See syllabus for more information



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Section C

Eightfold Path

- We are going to assume that the policy process is RATIONAL

Other Models of the Policy Process

- Incremental approach
- Garbage can

- There are many different ways to characterize the RATIONAL policy process
- We will use a formulation by Bardach
- Other characterizations are equally valid and may explain certain policy processes more completely or more accurately than the Eightfold Path

Eightfold Path

- Define the problem
- Assemble some evidence
- Construct the alternatives
- Select the evaluation criterion
- Project the outcomes
- Confront the trade-offs
- Decide
- Tell your story

Define the Problem

- What is the specific problem
 - Be as concrete as possible
- Why are you advocating a specific policy change?

1. *Define the Problem*

- Use too little/too much if possible
- Quantify if possible
- Define the problem, not the remedy
- You may need to redefine the problem several times

Recommendation 29

- Congress should increase funding to Health Resources and Services Administration (HRSA) programs that provide support for public health students...

What Is the Specific Problem?

- Not enough money is spent on public health training
- Not enough public health training
- Public health professionals are poorly trained
- Lack of funding in public health training discourages interested applicants
- Public health students leave school with too much debt

Specific Problem

- Lack of funding in public health training discourages low-income applicants

2. *Assemble Some Evidence*

- Data—facts
- Information—facts with meaning/categories
- Evidence—information that alters behavior

Purpose of Evidence

- Assess nature of problem
- Analyze features of specific policy options
- Assess the performance of similar policies

Value of Evidence

- May cause a better decision
- Different decision may lead to a better outcome
- Evidence suggests how much the situation can be improved

Different Approaches to Evidence Collection

- Use analogies
- Survey “best practice”
- Literature review
- Collect data

Assemble Some Evidence—Public Health Training

- Debt of public health students
- Debt of public health students vis-à-vis other professional students
- Return on investment in public health education vis-à-vis other professional students

Assemble Some Evidence—Public Health Training

- Application rates by income level

3. Construct the Alternatives

- Policy options
- Alternative courses of action
- Alternative intervention strategies

Approach to Construct the Alternatives

- Start comprehensive, but end up focused
- Difficult to evaluate more than four alternatives

Construct the Alternatives—Public Health Training

- Grant program to schools based on need
- Grant program to students based on need
- Grant program to schools based on ability
- Grant program to students based on ability



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Section D

Eightfold Path II

Eightfold Path

- Define the problem
- Assemble some evidence
- Construct the alternatives
- Select the evaluation criterion
- Project the outcomes
- Confront the trade-offs
- Decide
- Tell your story

4. *Select the Criterion*

- Analytic—what are the consequences?
- Evaluative—value judgments about consequences

Potential Evaluative Criteria

- Efficiency—maximize satisfaction (utility)
- Equity—maximize equality, fairness, social justice
- Personal freedom—maximize individual choice
- Community—maximize solidarity
- Legality—is it permitted?

Select the Criteria—Public Health Training

- Efficiency—lowest administrative cost
- Equity—need-based
- Personal freedom—greater choice if all schools have funding
- Legality—funding rules established by Congress

5. *Project the Outcomes*

- Most difficult step
- Hard to predict future
- Hard to be realistic when an advocate
- Hard to be certain about likely outcomes

Project the Outcomes—Techniques

- Develop analytic model(s)
- Develop empirical estimates
- Consider alternative scenarios
- Consider undesirable side effects
- Develop outcomes matrix

Project the Outcomes

- How many more low-income students will choose public health as a career with grant programs?

6. *Confront the Trade-offs*

- Is one alternative clearly dominant?
 - The best choice on all criteria
- Eliminate any alternative which is dominated by another alternative
- Which criterion is most important?

Confront the Trade-offs: Select the Criteria

- Possible criteria to evaluate alternatives
 - Efficiency
 - Equity
 - Personal freedom
 - Legality
- Assume equity is the most important criterion

- Projections of how each option will increase the number of low-income applicants

Confront the Trade-offs Matrix

| | Equity |
|---|--------|
| ■ HRSA grant program to schools based on need | + |
| ■ HRSA grant program to students based on need | ++ |
| ■ HRSA grant program to schools based on ability | 0 |
| ■ HRSA grant program to students based on ability | 0 |

7. Decide—Public Health Training

- Allocate grants to students based on need

8. *Tell Your Story*

- Thirty seconds
- Who is audience?
- What medium to use?
- What is the message?

- Audience is Congressional appropriations staff

- More low-income students would enter public health if they received grants based on need. This would lead to better health outcomes in low income areas