

Managed Care & Health Insurance
Johns Hopkins Bloomberg School of Public Health

Assignment #2

Final

I. Introduction

The final assignment has been carefully designed to be a positive learning experience for you. Its primary goal is to further your knowledge of the course material. Its secondary goals are: to further your knowledge of a content area of interest and relevance to you and to give you experience in developing a report format relevant to your career path. It is important that you read this document completely and carefully before embarking on the assignment.

There are four report format options

1. public-sector decision memo
2. private-sector decision memo
3. business plan
4. research/evaluation concept paper

Regardless of the format you will be following, you may either work up a case-study provided in this document or choose your own topic. If you select one of the case studies in this document, you will have a fair amount of flexibility to put a “special spin” on the topic. If you choose your own topic, this will likely be a continuation of the issue you selected for your midterm discussion paper.

The research/evaluation concept paper format is strongly suggested for all doctoral or postdoctoral students. Doctoral students are encouraged to select their own research topic. If it differs substantially from the course content, you may need to write your final using the research/evaluation case study provided or choosing a decision memo format as an alternative.

II. Option 1: Public Sector “Decision Memo”

You are to develop a decision memo on a Managed Care (MC) policy issue directly relevant to a public sector agency. This document should succinctly describe the facets of the issue and the potential options available to the decision maker.

This memo should place a special emphasis on the findings of health policy or health services research, when available. Remember: A decision memo concerns a decision; it is not a general policy or issue discussion. (See more information on the format of a decision memo following.)

You may choose to work-up one of the following case studies:

- a. Within the context of a state’s Medicaid program, describe the alternative “managed care approaches” a Medicaid agency could use to address cost, access, and quality of care for ONE of the following high risk populations: persons with HIV/AIDS; children with special needs; persons with severe mental illnesses.
- b. With the increased role of private managed care organizations contracting with public health insurance programs, there is concern that financial incentives could potentially hamper access to care and lead to underutilization of services. Provide recommendations for the selection of quality/performance measures for use by either a state Medicaid program or the Federal Medicare program for use in monitoring care provided by managed care contractors. In your discussion, include the criteria you used to make your recommendations.

III. Option 2: Private Sector “Decision Memo or Business Plan”

You are to develop an applied analysis of a MC issue of direct relevance to a private sector health services delivery organization. This document should succinctly describe the facets of the issue and the potential options available to a senior executive officer to address it. This analysis should also place a special emphasis on management literature or health services research, when available.

Important note: The Business Plan option is intended for people with experience with this format.

You may choose to work up one of the following case studies:

- a. Present several alternative approaches a hospital can use to develop linkages/contracts with managed care organizations by setting up a Physician Hospital Organization (PHO) or other type of Integrated Delivery System that extends the traditional role of the hospital. Discuss the advantages and disadvantages of each approach.
- b. Assume you are a medical director for a medium sized IPA/Network HMO (150,000 members). You are interested in developing a quality improvement/performance monitoring program to monitor and improve the quality of care you provide and to respond to current regulatory and accreditation requirements. Discuss how you would structure this program. Include advantages and disadvantages associated with your proposed program.
- c. You are a consultant advising the benefits manager of a “Baby-Bell” telecommunication company that “self-insures” 50,000 employees, dependents and retirees. Currently, the beneficiaries are enrolled in a loosely managed PPO administered by a commercial insurer. This year the employer’s health care costs increased by over 17%. Costs need to be reined in. Identify at least three “managed care” options that can be offered (on either a voluntary or mandatory basis) to enrollees. Identify the advantages and disadvantages of each option from both a cost savings and “quality” perspective. Where possible, suggest the costs and benefits of each approach based on reports found in the literature.

IV. Option 3: Research/Evaluation Concept Paper

Important note: This option is for doctoral students or post-docs only. It is assumed that these students have had previous experience in developing evaluation/research protocols

You are to develop a research “concept paper” (or “pre-protocol”) that outlines the approach you would take to evaluate an issue of direct relevance to Managed Care. In this concept paper, you should briefly present: (1) the issues/background, (2) your objectives or hypotheses, (3) what is already known from the existing research literature, (4) potential sources of data and approaches to measures, (5) the basic research/evaluative design you would suggest and (6) the strengths and limitations of the study you propose. Again, be sure to emphasize the Managed Care aspects of the study rather than the generic aspects.

If you do not want to select your own topic, you may choose to develop a proposal within one of the following “case study” areas:

- a. Propose a design for evaluating a state’s “new” Medicaid Managed Care program.
- b. Propose a design that CMS might use to assess the quality of care delivered to its beneficiaries enrolled in risk-contract (M+C/ Medicare “Advantage”) HMOs or PPOs.
- c. Propose a design that an employer could use to assess the impact on cost and quality of its newly instituted “managed care” health benefits program.

V. Instructions / Logistics

- 1) This paper should be about ten pages in length (double spaced, 12 point font). The intent of this assignment is to provide an avenue for you to explore new areas, but within the framework of the assignment.
- 2) You may make any reasonable assumptions you wish in writing this memo/research plan and may “bend” (though not “break”) reality to set up a specific context/scenario that interests you. Feel free to expand on the information given in the case study to flesh out the situation. Creativity and innovation are always encouraged, but do remain concrete and focused (as the three formats require).
- 3) Even if you choose one of the case studies provided above, you are encouraged to develop a special “spin/focus” within these boundaries if that would make your assignment more relevant. Make sure your special emphasis is clearly delineated in your paper’s introduction.
- 4) Again, please remember that you are doing this paper for a course on Managed Care/ health insurance. The majority of your paper (though not the entire paper) should focus on issues that are clearly within the domain of Managed Care. The integration and synthesis of course material is a major grading criterion.
- 5) For all paper options, special emphasis should be placed on exploring the literature. If appropriate (which in most cases it will be) at least 10-15 articles should be cited. No more than half of the references should come from your “required” reading list. You are encouraged to use articles from the course’s extensive “additional” reading list and web links.
- 6) As noted in the format section, while decision memos and business plans do not normally include references, citations are expected for this assignment. Be mindful to cite from the literature for all claims you make in your paper.

We hope you find this to be a useful exercise that augments your career preparation in a manner relevant to you. If you have suggestions for how this exercise can be improved, such feedback is appreciated.

VI. Some Suggestions for Writing a “Decision Memorandum”

A decision memorandum is used by policy analysts to synthesize information regarding a problem and to succinctly communicate this information to policy makers. A decision memo should outline the magnitude of the problem, provide background for current policies, describe and critique two or more policy options, and suggest a final course of action and the rationale for choosing it.

There are a few key points to writing an effective decision memo. First, writing should be straightforward and concise. Second, the memo should be well organized and clearly presented. The use of headings, bullets, etc. can assist the reader in identifying the most important points. Third, the memo should reflect the points, issues, etc. that are most relevant to the recipient. Concerns of a hospital administrator, for example, may be very different from the Administrator of CMS (formerly HCFA), even when confronted with similar problems.

Whether it’s part of the memo itself or in a brief preface for this exercise, make sure the reader (grader) is clear what the context of this memo is and the “role” you are playing in terms of who you are writing this for, who the writer is and the appropriate context. As noted in the assignment you may make any “reasonable” assumption about the context you wish, but make sure these assumptions are clear to the reader.

Suggested Format:

I. Heading

To:

From:

Date:

Re:

II. Executive Summary

This is a brief overview of the entire memo outlining the key points and final recommendations. The decision-maker should be able to read the executive summary and know exactly what the problem is, the two or three options that will be discussed in the memo, and your recommendation for addressing the problem.

III. Purpose

This section should provide a brief description of the issue and state the precise question to be addressed. This can usually be stated in one or two sentences.

IV. Background / Current Policies

This section provides relevant background for the problem. It includes a description of the magnitude of the problem, the current policies and practices, trends over time, and the rationale for why this problem should be a priority for action. Existing research and data should be used to back-up statements when possible.

V. Policy Options

This section should include two or more options that are appropriate for the decision-maker. It is better to present a limited number of options that are well thought out than a long list of underdeveloped options.

Before evaluating an option, the analyst should describe the option in one or two sentences.

Next, the analyst should evaluate the option. The criteria for evaluating and analyzing the options should be explicitly stated. Evaluation criteria should include the impact on cost, quality, and access and administrative feasibility. Administrative feasibility addresses the amount of effort it will take to implement and maintain a particular option (e.g., additional personnel, data collection efforts, etc.) A private sector memo should consider political feasibility. Each policy option should be systematically evaluated according to these criteria.

VI. Final Recommendations

This section should include your final recommendation for a course of action and explain its rationale. Your recommendation should flow logically from the information presented earlier in the memo. New information should generally not be introduced in this section.

VII. Decision

Usually a decision memo includes a list of the options with a box or line for the decision-maker to indicate the option selected.

Option 1 _____

Option 2 _____

Option 3 _____

Note: Normally a decision memo does not include a large number of citations/references (beyond those relevant to the options). Given the academic nature of this exercise, it is requested that you cite references to support statements in your memo, in a fashion similar to other academic exercises.