

As the primary source of health insurance for the Nation's 31 million elderly people, Medicare provides access to a wide range of health services for diagnosis, therapy, and rehabilitation. Medicare is prohibited by law from offering benefits for preventive services except for a small number that have been added to the scope of covered benefits through amendments to the Medicare Act. * When compelling evidence has accumulated about the health benefits or savings in health care costs achievable from specific preventive services, Congress has legislated expansions of the Medicare benefit. So far, vaccines for pneumococcal pneumonia and hepatitis B and, most recently, screening mammography² and Pap smears are the only preventive services covered by Medicare.

In recent years, the wisdom of this blanket exclusion of preventive services has been questioned by numerous experts and interested groups (5,12,13,22,40,90,96). Interest in health promotion and disease prevention for the elderly has grown as the U.S. population has aged. The high cost of providing acute and chronic health care has led researchers to search for ways to prevent or delay the need for those services. The obligation of Medicare to pay for the consequences of *not* preventing episodes of illness or disability, at the same time that it does not pay for interventions that might prevent such episodes, seems to be shortsighted. Sometimes the investment in preventive services can actually save Medicare program costs.³ Even when prevention does not save money for Medicare, it may improve the health of Medicare beneficiaries or save health care costs for other payers enough to justify the added costs.⁴

Congress has actively considered proposals to expand Medicare benefits for health promotion or preventive services. In the past 2 years, numerous proposals were made to expand coverage for such services as Pap smears, fecal occult blood testing,

and cholesterol testing. Indirect expansions of benefits have also been proposed. For example, S.358 (99th Cong.) would have raised the Medicare Part B deductible but would have allowed the cost of disease screening, immunizations, and anti-hypertension drugs to count towards that deductible. Another proposal considered for the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360) would have allowed a long list of preventive services to count against the catastrophic deductible limit. One proposal (S. 357, 99th Cong.) would have lowered the Part B premium for nonsmokers by \$1 per month. The House considered a proposal (HR 1402) that would allow beneficiaries to purchase through Medicare a supplemental insurance option to cover the cost of an annual preventive health physician visit.

In the absence of reliable information about the health and financial consequences of such proposals, Congress has moved cautiously. Except for covering the two vaccines, Pap smears and, for a time, mammography, legislation has been limited to establishing demonstration projects to study the effects of offering packages of preventive health services to Medicare beneficiaries (Public Law 99-272) and a demonstration of the effectiveness of offering the influenza vaccine as a covered benefit (Public Law 100-203). As part of its effort to obtain information on the consequences of expanding Medicare benefits for preventive services, the House Committee on Ways and Means asked the Office of Technology Assessment (OTA) to study the effectiveness and cost of selected preventive services for the elderly. OTA selected four screening services for study: glaucoma screening; cholesterol screening; colorectal cancer screening; and cervical cancer screening. Separate papers on each of these technologies have been or soon will be released. A staff paper has also been prepared on preventive services

¹Medicare will pay for "reasonable and necessary" medical and other health services offered by certified providers if they are diagnostic, therapeutic, surgical, consultative, or rehabilitative. Some experts define preventive services broadly to include some therapies and rehabilitation. Medicare's stricture against payment for preventive services pertains to those services not offered in direct response to patient complaints, symptoms, or clinical signs.

²Screening mammography was briefly slated to become a covered benefit, but because it was enacted as part of the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360), the benefit was repealed with the other provisions of that law late in 1989.

³For example, a 1979 OTA study of pneumococcal pneumonia vaccine in the elderly concluded that, under certain assumptions, the cost of the vaccine would be more than made up for by savings to the Medicare program (86,88).

⁴For example, a biannual mammography screening is not likely to save Medicare costs but has the potential to detect early breast cancers and prolong the life of Medicare beneficiaries (89).

utilization by the elderly. (See app. B for a brief summary of each of these papers.)

This Special Report is also part of OTA's study of preventive services for the elderly. Its purpose is to examine the strengths and weaknesses of the Medicare program as a vehicle for funding the delivery of preventive services to the elderly. Chapter 3 contains a general description of the range of preventive services that are possibly useful to the elderly. This section is not intended to evaluate the effectiveness of such services; rather, it will focus on the major health problems of the elderly and the kinds of preventive interventions that have been suggested to deal with those problems. Chapter 4 describes the elements of the Medicare program that influence the

receipt of effective and efficient preventive services by the elderly. Chapter 5 discusses issues that arise in evaluating the effectiveness and cost-effectiveness of offering preventive services to the elderly under Medicare. Chapter 6 concludes with a discussion of research priorities.

As supplementary material, this report also contains: abstracts of OTA studies of the costs and effectiveness of preventive services for the elderly (see app. B); a review and critique of the Medicare Preventive Services Demonstration Projects mandated by Congress in 1986 (Public Law 99-509) and currently underway (see app. C); and a compendium of recommendations by expert groups for preventive services for elderly people (see app. D).