

Appendixes

Appendix A. – Method of the Study

This assessment was requested as a followup of the 1984 OTA assessment entitled *Medical Technology and Costs of the Medicare Program* and the 1983 OTA technical memorandum entitled *Diagnosis-Related Groups and the Medicare Program: Implications for Medical Technology*. The purpose of the assessment was to consider the needs for evaluation of Medicare's new prospective payment system (PPS) for hospitals established by the Social Security Amendments of 1983 (Public Law 98-21). The question of what data would be necessary for the evaluation of PPS was chosen as a special focus of the study. The assessment began on June 1, 1984.

One of the first tasks in planning an OTA assessment is to choose an advisory panel of experts in various fields. The advisory panel for an OTA assessment suggests source materials, subject areas, and perspectives for staff consideration; assists in interpreting information and points of view assembled by OTA staff; and suggests possible findings and conclusions based on the study. Panel members review staff and contract materials for accuracy and representativeness, discuss policy options of the study, and present arguments for and against the options and conclusions. The final report, however, is the responsibility of the OTA staff.

The advisory panel for this assessment of strategies for evaluating Medicare's PPS consisted of 23 members with expertise in health policy, health care administration, insurance, business, and clinical medicine fields, as well as experience in State and Federal government and academia. John Eisenberg, Associate Professor of Medicine at the Hospital of the University of Pennsylvania, chaired the panel.

The first panel meeting was held on July 16, 1984. OTA staff for the project presented topics and out-

lines for the panel's discussion of the overall plan for the assessment. Suggestions regarding a workshop on patient classification systems and their relationship to prospective payment were discussed. Major chapter topics selected for the full report were PPS impacts in each of the following areas: costs and expenditures, quality of care, access to care, technological change, and clinical research. Education and manpower issues were deemed beyond the scope of the assessment. OTA project staff agreed to draft a report for the panel's review before the second meeting, tentatively arranged for late December or early January.

OTA held a workshop on inpatient classification systems on September 17, 1984. The purpose of the workshop was to explore strategies for evaluation, refinement, and further development of classification systems. Sixteen experts including researchers, medical records personnel, Federal Government representatives, and others involved in classification systems participated in the all-day meeting. The focus of the discussion was on the reasonableness of evaluation criteria for payment purposes. The contractor who would be writing the background piece on patient classification systems also participated and was asked to incorporate the workshop discussions into his paper.

As the project progressed, an OTA staff memorandum on Medicare databases was requested by the Senate Special Committee on Aging. Since PPS covers Part A of Medicare, the staff memorandum prepared describes and evaluates Part A databases. It was delivered in draft in October 1984 and was delivered in final form in August 1985.

Contracts were let for background papers on a variety of issues for staff use in preparing the assessment. They are listed on p. 174.

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Subject

"Impact of PPS on Access to Care"

***"The Interaction of Therapeutic Drug Monitoring and DRG Payment Levels"**

"DRG Payment and Medical Technology Payment: DRG #39"

"Hospital Data Systems and Their Adequacy for Evaluating PPS"

"Medical Technology and DRG's: The Case of the Implantable Infusion Pump"

***"Likely Effect of Medicare's Prospective Payment System on the Veterans Administration"**

"Peer Review Organizations (PROS): Quality Assurance in Medicare"

"Impacts of PPS on Health Service Costs"

"Availability of Data Sets To Monitor the Effects of PPS"

"Streptokinase Treatment for Acute Myocardial Infarction and the DRG Payment System"

***"Percutaneous Transluminal Coronary Angioplasty: Efficacy, Cost, and Effects of Prospective Payment"**

"Strategies for Research and Evaluation of Patient Classification Systems"

Background papers with an asterisk (*) are or will be available shortly from the National Technical Information Service (NTIS). In addition, a background paper on extracorporeal shock-wave lithotripsy was prepared by OTA staff. It is available from NTIS.

On January 28, 1985, the advisory panel for the assessment had a second meeting. OTA staff had prepared a preliminary draft of the final report for their consideration. Copies of the contractors' papers were also sent to the panel members prior to this final

meeting. Panel members discussed the chapters in depth and made suggestions for improvements.

In February and March of 1985, OTA staff conducted a survey of nongovernmental organizations to ascertain the extent of private initiatives in evaluating PPS. Staff selected over 250 organizations that it felt would be likely to evaluate prospective payment. The types of organizations selected were: 1) provider groups, such as associations of physicians, nurses, other health care professionals, and the 50 State hos-

pita] associations; 2) beneficiary groups, such as disease-related interest groups and the American Association of Retired Persons; and 3) foundations known to fund research in the health field. Questionnaires were sent to the directors of these organizations in February, and more than 70 groups had responded by the end of March. Responses were added to chapter 10 of the draft report in tabular form.

After revising the main report to strengthen certain sections and rectify omissions identified by the panel, OTA staff mailed a second draft in April 1985 to more than 140 reviewers. These reviewers represented a broad range of experts in a diversity of settings. Appropriate revisions based on comments received were made by OTA staff, and the report was submitted to the Technology Assessment Board on June 28, 1985.