

Big Challenges for Next CMS Administrator

Kathleen Ream, Director of Government Affairs

In light of the Obama Administration's plans for significant changes in the way Medicare, Medicaid and the State Children's Health Insurance Program (SCHIP) are run, the President's choice for administrator of the Centers for Medicare and Medicaid Services (CMS) will be facing major issues from day one. In addition to the task of implementing such changes, the new CMS administrator will play a role in the new Administration's push to overhaul the entire health-care system. All the while, he or she will be responsible for the day-to-day operations of a massive agency with 4,400 employees, a \$676 billion annual budget and the duty to provide healthcare to 44.6 million people enrolled in Medicare, 51 million in Medicaid and 6.3 million in SCHIP.

In commenting on possible candidates for the position, several of the agency's former chiefs agreed that Obama will look for a candidate who has experience managing a large organization, knowledge of the healthcare system and good political relationships. Speculation has centered on a handful of Obama insiders, Clinton White House veterans and longtime Democratic healthcare experts. Among the names thought to be under consideration are: Obama transition team member and Center for American Progress senior fellow, Jeanne Lambrew; Avalere Health President, Dan Mendelson; Urban Institute scholar, Robert Berenson; Georgetown University Professor and failed congressional candidate, Judy Feder; and Emory University Professor, Ken Thorpe. But Nancy-Ann DeParle, who ran the agency during President Clinton's second term (when it was known as the Health Care Financing Administration), and Tom Scully, who was President Bush's first CMS administrator, both cautioned against putting too much stock into such speculation. Their names, they pointed out, were not on any public "short lists" before they were nominated.

Based on their experience, the former administrators had similar views about the position's importance and challenges. DeParle said, "The wonderful and terrifying thing about running CMS is that you never know what's lurking around the corner. There's just so many things that can go wrong." Good relationships with key people on

Capitol Hill are vital, she added. "You spend well over half your time working with Congress." Scully stated, "The challenges of running that place are unbelievable in a slow time. It's just a huge place." Gail Wilensky, who ran the agency during the George H.W. Bush Administration, said, "It's a terrific job because it marries policy and operations in a way almost no other position does." And, Mark McClellan, who succeeded Scully at CMS after heading the Food and Drug Administration for two years, said, "You need management skills and leadership skills...[and] experience in leading reform efforts" in the government or private sector.

The former officials also noted that one of the busiest areas of ongoing business – and difficult management challenges – will be devising the payment rates for physicians, hospitals, nursing homes and other medical providers that serve beneficiaries. Doctors, they said, present a particular challenge. Without congressional action, doctors' payments face a 20% cut in 2010, and CMS will have the task of helping Congress figure out how to fix that problem without breaking the bank. McClellan predicted that the Obama Administration would continue the Bush Administration's efforts to reform the payment system to reward more efficient, higher-quality care. "There's a lot of momentum now . . . to put more emphasis on paying for value in Medicare," he said.

Under the Democratic health reform plans circulating, CMS could see its responsibilities increased further. For example, if the private health insurance plans that operate under Medicare Advantage and Part D are reined in, insurers could see their Medicare Advantage payments slashed by up to \$50 billion and face more stringent oversight of their activities in both programs. States are already angling for new federal money to shore up their Medicaid budgets during the recession, but CMS will have to address other thorny Medicaid and SCHIP issues, such as how much flexibility to give states to redesign their benefits. On SCHIP, Congress' reauthorization of the program includes a significant expansion of the program, bringing millions of new children onto the rolls.

TO THE EDITOR OF COMMON SENSE:

I would like to compliment Dr. Michael Pulia for his article "Bring On the Pain: A New Tool to Combat Drug Seeking in the ED" in the November/December 2008 issue of *Common Sense*. The article is a nice review of state-based computerized databases which help emergency physicians detect which patients may be exhibiting drug-seeking behavior. I have long desired such a program in my state (Massachusetts), and after becoming inspired by the article, I contacted the Department of Public Health. Coincidentally, a meeting had just been scheduled to discuss a similar program, and I was able to attend and represent the voice of emergency medicine at the meeting. At the end of the meeting, I gave a copy of Dr. Pulia's article to the director of the program as it nicely summarizes how valuable such a tool is for the practicing emergency physician.

Sincerely,
Scott G. Weiner, MD MPH FAAEM

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to congratulate the 2009 YPS Board of Directors
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