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Title: Measuring the Costs and Benefits of Medicare Private Fee for Service

Objectives(s): This study has three main questions: (1) How would the availability of Private Fee for Service Medicare plans be affected if their payment rates were reduced? (2) What benefits are offered by PFFS plans? (3) How do PFFS benefits compare to the cost to taxpayers of providing the PFFS option under Medicare?

Research Design: This is a retrospective study of Medicare beneficiaries using secondary data. The primary individual-level dataset will be the Medicare Current Beneficiary Survey (MCBS), which will be linked at the county-level to other publicly available county-level descriptors. Other publicly available plan-level data describing Medicare plan benefits, service areas, and enrollment will also be used.

Methodology: Objectives will be met using multivariate methodology.

Clinical Relationships: N/A

Impact/Significance: The proposed research project would assemble the data and statistical models necessary to rigorously evaluate the value of the PFFS option to enrollees in the context of all the other choices currently available. In addition, this project would support predictions about the likely consequences of a variety of policy changes, including current proposals like reducing benchmarks and others yet to be proposed like pairing reduced benchmarks with increased subsidies for drug coverage in the Part D coverage gap.