

Transforming Payment.... Transforming Practice

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Patient Centered Primary Care
Collaborative Summit
November 7, 2007



AMERICAN ACADEMY OF
FAMILY PHYSICIANS

STRONG MEDICINE FOR AMERICA

Overview of Panel

Begin with transforming payment

Dr. Terry McGeeney and Dr. Michael Barr will discuss transforming physician practices

The employer perspective

Joseph M. Calomo – Walgreens

Glenn Stettin – Medco

Chris Ross – Minute Clinic

Opportunity for your questions

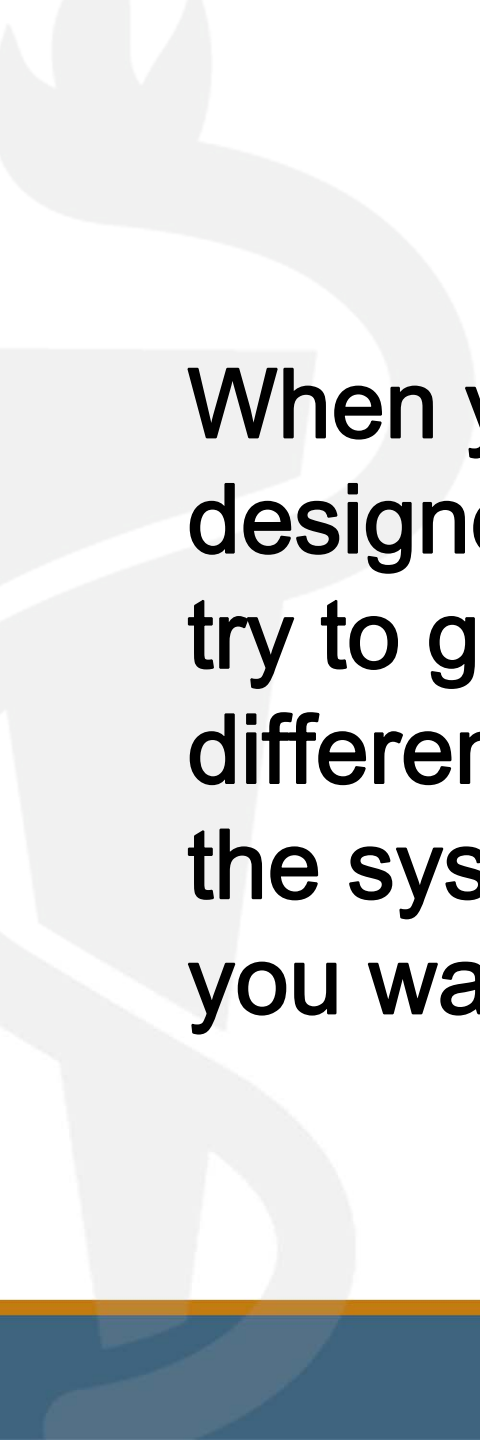
Why payment transformation?

Systems are perfectly designed and operated to produce the results they get.

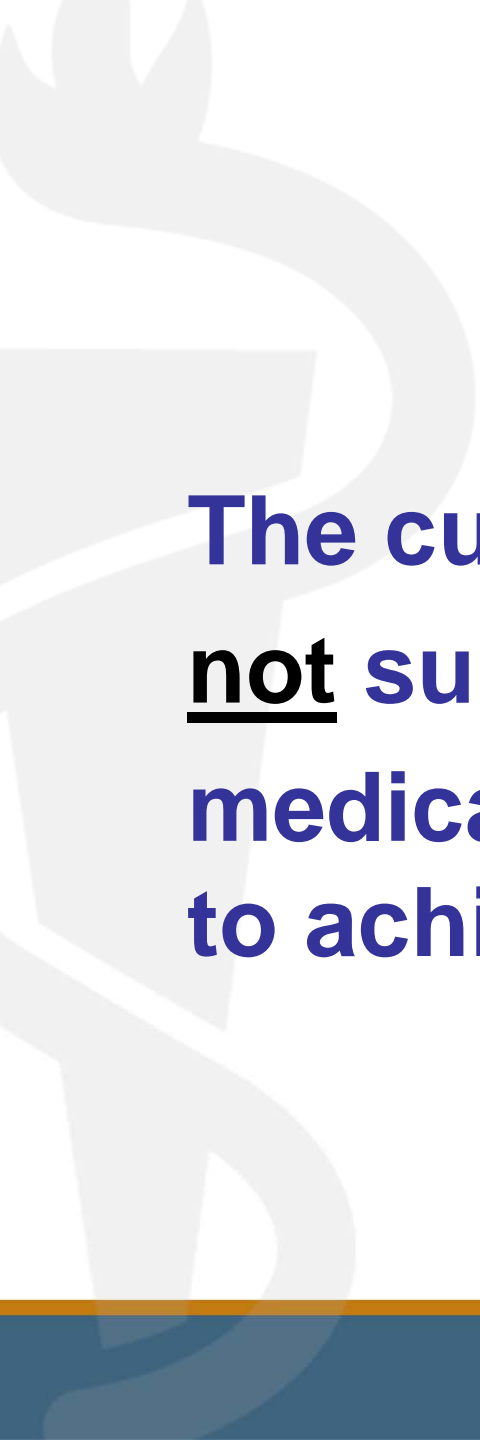
Traditional fee-for-service payment rewards piecemeal work and volume of services rather than prevention of illness and coordination of care. The more procedures a physician performs, and the higher the value of the procedure, the more the physician is paid.

The result...

- **Spiraling health care costs**
- **High volume of services**
- **Care that is not coordinated**
- **Patients and payers are dissatisfied**



When you take any system that's designed to achieve one result and try to get that system to achieve a different result without redesigning the system, you don't get the result you want.



**The current payment system does
not support the patient-centered
medical home. It is not designed
to achieve this result.**

What is needed

Payment reform designed to support care provided through the Patient-Centered Medical Home.

**“You never change things by fighting the existing reality. To change something build a new model that makes the existing model obsolete.”
Buckminster Fuller**



Compensation for physicians in a medical home should recognize the **ADDITIONAL value of physicians:**

- **proactively helping their patients stay healthy and managing their illness**
- **focusing on the care of the whole person**
- **coordinating their care among teams of health care professionals**
- **having the systems in place at the practice level to achieve higher quality care and better outcomes rather than paying them solely based on the face-to-face visits, procedures, and tests.**

Key elements of payment reform

Create a **blended** payment model to recognize:

Care coordination

Office Visits

Performance

Care Coordination

A monthly care coordination payment for the physician work that falls outside of a face-to-face visit and for the health information technologies needed to achieve better patient outcomes and lower system-wide costs

Removes purely volume based incentives and promotes efficiency

Office Visits

A fee-for-service component that recognizes office visits that are currently paid under the current payment system

Payment for physicians to see the patient in the office when appropriate

Performance-based Component

Performance-based bonus payment for (meeting evidence-based quality benchmarks and/or demonstrated quality improvements) achieving measurable and continuous quality improvement



Transformed PAYMENT is necessary to support transformed PHYSICIAN PRACTICES.

Drs. McGeeney and Barr now will tell you about efforts to transform physician practices to become patient-centered medical homes.