



Creating Value Through Patient Centered Medical Homes

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OUR GUIDING PRINCIPLES FOR HEALTH INSURANCE REFORM

Comprehensive Health Insurance Reform Must Ensure the Following :

- **Reduce *costs* for families, businesses and government;**
- **Provide *choice* of doctors, plans and hospitals; and,**
- **Assure affordable, *quality health care for all Americans.***

HEALTH INSURANCE REFORM WILL IMPROVE THE WAY CARE IS DELIVERED FOR ALL AMERICANS

Changes to the delivery system

- Incentivize quality not quantity of medical care
 - No cost sharing for preventive care
 - Better coordinate care for patients with chronic diseases
 - Ensure patients receive clinically recommended treatments and follow-up
 - Reduce duplicative testing and rehospitalizations
 - Integrate with community health resources to provide more holistic patient care
 - Expand coverage and access
- 
- Primary care has a critical role to play in reform
 - Health insurance reform will facilitate adoption of advanced primary care models

OUR PRIMARY CARE SYSTEM MUST BE TRANSFORMED TO MEET FUTURE DEMANDS FROM REFORM AND CHRONIC DISEASE

Current challenges confronting primary care

- Emergency room visits increased by 36% between 1996 and 2006; 47% of ED visits could have occurred in a physician's office
- 20% of patients are readmitted within 30 days of hospitalization, most of which are avoidable
- 50% of patients that are readmitted do not see a physician after their first hospitalization
- 75% of health care spending is for patients with chronic diseases
- Over two years, the typical Medicare patient sees 2 different primary care doctors and 5 different specialists
- Millions of additional Americans will enter the primary care system with health reform

Advanced primary care models, like medical homes, can provide the coordination mechanisms and decision support to improve quality, cost, and satisfaction

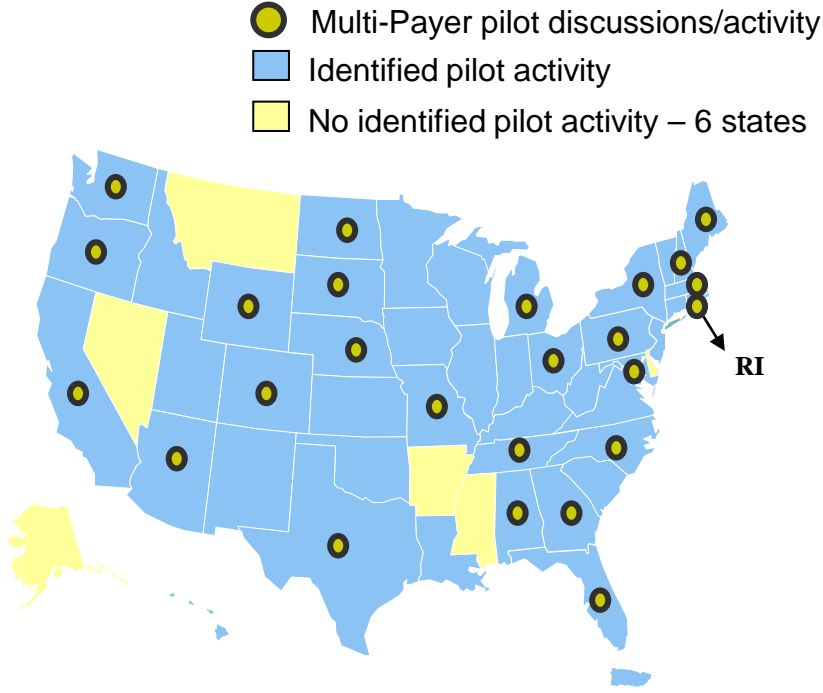
1. <http://blogs.wsj.com/health/2008/08/06/emergency-room-visits-hit-record-high/>
2. <http://www.medicalnewstoday.com/articles/157206.php>
3. http://www.boston.com/news/local/massachusetts/articles/2009/04/24/er_visits_costs_in_mass_climb/

MEDICAL HOMES HAVE THE POTENTIAL TO IMPROVE QUALITY, COSTS, AND SATISFACTION

Medical homes have yielded promising results...

- 29% reduction in ED visits at Group Health
- 20% reduction in hospitalizations at Geisinger
- Achieve 94% of diabetes patients having ≥ 2 primary care visits per year for NC Medicaid
- Over \$400 million saved over 4 years for NC Medicaid
- 3.8% total cost savings in Iowa
- 11% expected cost savings in VT
- \$640/year saved per patient for the community at Intermountain

...And are being widely adopted across the country



More than 40 states are involved in medical home pilot activity

MEDICAL HOME PILOTS HAVE VARIED IN DESIGN AND IMPACT

Comparison of PCMH pilot features

	VA – CHF	Inter-mountain	Group Health	Geisinger	VA – Diabetes	North Carolina
Care coordination	✓	✓	✓	✓	✓	✓
Health IT	✓	✓	✓	✓	✓	✓
24/7 access*				✓		
Community teams						✓
P4P	✓	✓				
PMPM payment				✓		✓
Performance evals		✓	✓	✓		✓
Transitional care*	✓			✓		
Specialist involvement*						✓
Flex scheduling*			✓		✓	
Shared savings				✓		

Hospitalization Reduction**

+33%

+3.3%

11%

20%

24%

34%



* Characteristics as reported

** % reduction from baseline

CMS IS LAUNCHING A MAJOR MEDICAL HOME DEMONSTRATION THAT WILL ACCELERATE ADOPTION

Details for the CMS Medical Home demonstration

State-based initiatives

- Scale-up efforts, building on states' Medicaid medical home experience

Advanced primary care model

- Coordinate health delivery through patient-centered team approach
- Emphasize prevention, HIT, care coordination and shared decision making among patients and their providers
- Reimburse on a per-member per-month basis

Eligibility

- Have established effective models in all or parts of their states that include their Medicaid program as well as private payers.
- Demonstrate willingness of majority of PCPs to participate
- Have stringent requirements for designating APC providers
- Secure the participation of a number of private payers

Research goals

- Reduce unjustified variations in utilization and expenditure
- Improve the safety, effectiveness, timeliness, and efficiency of care
- Increase the ability of beneficiaries to participate in decisions
- Increase availability and delivery of care that is consistent with evidence-based guidelines in historically underserved areas
- Reduce overall utilization and expenditures for the Medicare program

MEDICAL HOMES ARE A KEY COMPONENT OF EACH OF THE CURRENT REFORM PROPOSALS

Senate HELP Committee

- Provide grants to states or state-designated entities to establish patient-centered medical home programs
- Give priority to patient-center medical home models for workforce education and training funding grants

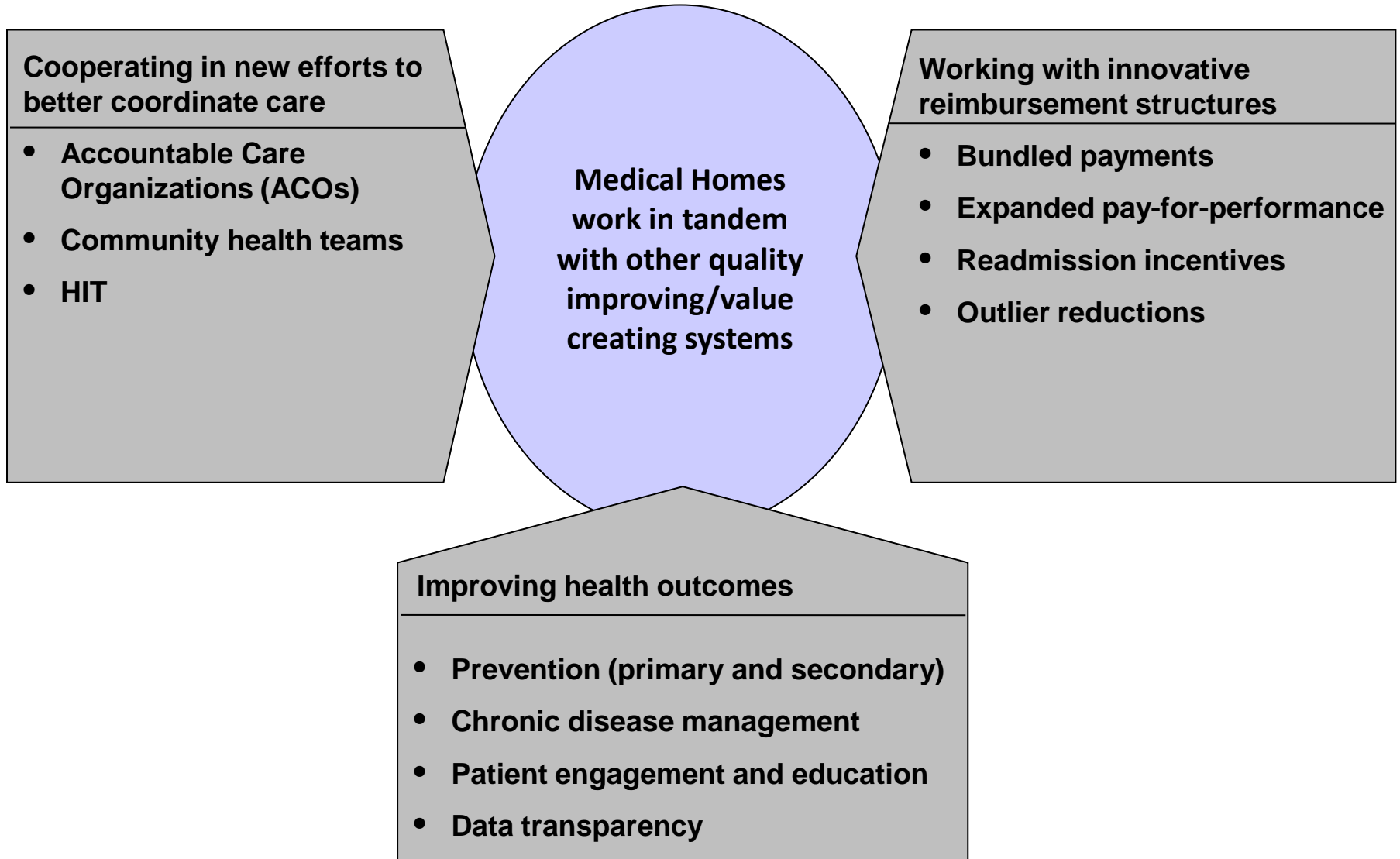
Senate Finance Committee

- Make bonus payments to patient-center medical home practices
- Expand medical home model in Medicaid
- Establish Innovation Center within CMS for researching payment and reimbursement options

House Tri-Committee

- Create Medical Home pilot program

MOVING TOWARDS A MORE COORDINATED SYSTEM



THANK YOU

Questions?