

# Designing a Medical Home for Medicare Beneficiaries

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# Medical Home Demonstration

- Tax Relief and Health Care Act of 2006 (sec. 204)
- Will operate in up to 8 states, including urban, rural, underserved areas
- 3 years
- Goal: "... to redesign the health care delivery system to provide targeted, accessible, continuous and coordinated, family-centered care to high-need populations"

# Personal Physician

- Board certified
  - General internists, family physicians, geriatricians, some specialists
  - First point of contact
  - Continuous care
- Ongoing support, oversight, guidance to implement plan of care
- Staff and resources to manage comprehensive and coordinated care

# Medical Home Services

- Oversee development and implementation of plan of care in concert with patient and other physicians caring for patient
- Use evidence-based medicine & decision-support tools
- Use health information technology to monitor & track health status of patients, provide patient access to services
- Encourage patient self-management

# Design Issues

- Medical home definition
- Practice eligibility
- Beneficiary eligibility
- Payment

# What Is a Medical Home?

It's all about practice redesign. A medical home is a physician practice that meets certain standards pertaining to:

- Access
- Clinical information system
- Continuity of care
- Coordination of care across providers and settings
- Decision support
- Delivery system design
- Patient/family engagement

# Two Tiers of Medical Homes

- Tier 1: Basic medical home services, basic care management fee
- Tier 2: Advanced medical home services, full care management fee

# Tier 1 Requirements

- 17 requirements in 9 domains, such as:
  - Written standards for patient access
  - Individualized plan of care
  - Electronic data system to identify/track patients
  - Use of evidence-based guidelines for diagnosis and treatment
  - Provision of patient education and support
  - Tracking of tests and referrals



# Tier 2 Requirements

## Tier 1 requirements *plus*

- Use of electronic health record to capture clinical information (for example, blood pressure, lab results)
- Systematic approach to coordinate facility-based and outpatient care
- Review of post-hospitalization medication lists
- 3 of 9 additional capabilities (e.g., e-prescribing, performance measurement, electronic communication with patients and other providers)

# Practice Eligibility

- Practices must apply to participate in the demonstration
- Those practices selected must submit documentation to CMS's implementation contractor to be recognized as medical home before onset of demonstration

# Beneficiary Eligibility

- Beneficiaries with one or more chronic conditions (high-need)
- Not long-term nursing home resident, hospice or ESRD beneficiary
- Beneficiaries may be enrolled in only one medical home at a time

# Payment

- Fee-for-service for covered services
- Care management fee to personal physicians
- Incentive payment for medical home practice
  - Share of savings attributable to medical home
  - Shared savings reduced by care management fees

# What Is the Care Management Fee?

- Based on RUC: Work RVUs, practice expenses, and insurance
- In addition to activities already reimbursed by Medicare
- Risk-adjusted, based on hierarchical condition categories (HCC) score of the patient

# What Is the Care Management Fee?

Per Member Per Month Payments			
Medical Home Tier	Patients with HCC Score <1.6	Patients with HCC Score $\geq 1.6$	Blended Rate
1	\$27.12	\$80.25	\$40.40
2	\$35.48	\$100.35	\$51.70

- HCC score indicates disease burden and predicted future costs to Medicare
- Nationwide, 25% of beneficiaries have HCC  $\geq 1.6$ , and are expected to have Medicare costs that are at least 60% higher than average

# Projected Demonstration Timeline

Announcement of demonstration sites	Dec. 2008
Outreach & practice recruitment	From Jan. 2009 on
Applications accepted	Jan-Mar 2009
Notification of practices to submit documentation of qualification	From Apr. 2009 on
Technical assistance available	From Apr. 2009 on
Notification of practices of recognition as medical homes	May-Dec. 2009
Practice enrollment of eligible Medicare beneficiaries	Upon selection-Dec. 2011
Demonstration begins	Jan. 2010
Demonstration ends	Dec. 2012
Evaluation ends	Dec. 2013

# For More Information

- [www.cms.hhs.gov/DemoProjectsEvalRpts/MD/list.asp#TopOfPage](http://www.cms.hhs.gov/DemoProjectsEvalRpts/MD/list.asp#TopOfPage)