

Show Me the Money: Aligning Patient-Centered Medical Home Reimbursement to Achieve Value in Health Care Delivery

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Today's Discussion

- ❑ **Current State of Health Care and the Role of Reimbursement**
- ❑ **Discussion on Current Proposed Reimbursement Models**
 - ❑ **Three-Tiered Reimbursement Model**
 - ❑ **Comprehensive Risk Adjusted Model**
 - ❑ **Medicaid Program Considerations**
- ❑ **Brief Overview of Several PCMH Demonstrations**

“We don't have a health care delivery system in this country. We have an expensive plethora of uncoordinated, unlinked, economically segregated, operationally limited micro systems, each performing in ways that too often create suboptimal performance both for the overall health care infrastructure and for individual patients.”

Four Fundamental Facts in the US Health Care System:

1. Health Care Cost are unevenly distributed in America
2. Care linkage deficiencies abound and can impair or cripple care delivery
- 3. Economic incentives significantly influence health care**
4. Systems thinking isn't usually on the health care radar screen

George Halvorson Author of Health Care Reform Now!: A Prescription for Change

"Every system is perfectly designed to get the results it gets."

Paul Batalden, M.D.

"If we want fundamentally different results in health care, we need to be prepared to change the way providers are rewarded."

Karen Davis, President, The Commonwealth Fund

Reimbursement for the *Outcomes* we need in Health Care

Payment Reform

Three Tiered Payment System



Problems with current model-overuse, underuse and “test passing”

Current State



Patient Centered Primary Care Collaborative Recommendation

A three-tier reimbursement methodology

- A monthly care coordination payment for the providers work that falls outside of a face-to face visit and for the health information technologies needed to achieve better outcomes
- A visit-based fee-for-service component that is recognized for services that are currently paid under the present fee-for-service payment system
- A performance-based component that recognizes achievement of service, patient centeredness, quality and efficiency goals

For more information:

www.pcpcc.net/content/proposed-hybridblendedreimbursement-model 7

Risk Adjusted Payment and Bonus Model

The Massachusetts Coalition for Primary Care Reform (MACPR) Pilot

- ❑ Comprehensive risk-adjusted payment on a per-patient per month basis for all primary care services delivered by the PCMH team based on achievement of NCQA PPC-PCMH Certification
- ❑ 2-year field trial of the risk-adjusted comprehensive bonus payment model in 9 small-to-medium sized primary care practices in eastern Massachusetts and Albany

Fundamental Reform of Payment for Adult Primary Care:
Comprehensive Payment for Comprehensive Care

Authors: Allan H. Goroll, M.D., Robert A. Berenson, M.D, Stephen C. Schoenbaum, M.D., M.P.H. et al.

http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=469545

Bonus Model

- ❑ Payment of a risk-adjusted bonus of up to 25% of the physician base payment for achievement of desired outcomes in the areas of cost, quality, and patient experience
- ❑ Cost targets for Bonus:
 - ❑ Reductions in ambulatory sensitive ER visits, admissions, and readmissions
 - ❑ Reductions in high-cost unnecessary imaging and pharmacy utilization
- ❑ Quality Goals (evidence-based, validated)
 - ❑ Diabetes, Hypertension, Asthma, Depression and CHF
- ❑ Patient Experience and Access

Medicaid Programs

Various Models

- ❑ Enhanced Reimbursement for Specific Codes
- ❑ Per Member Per Month (PMPM) Payments
- ❑ North Carolina Community Care Network Model- www.communitycarenc.com

Overview of Two Current Demonstrations

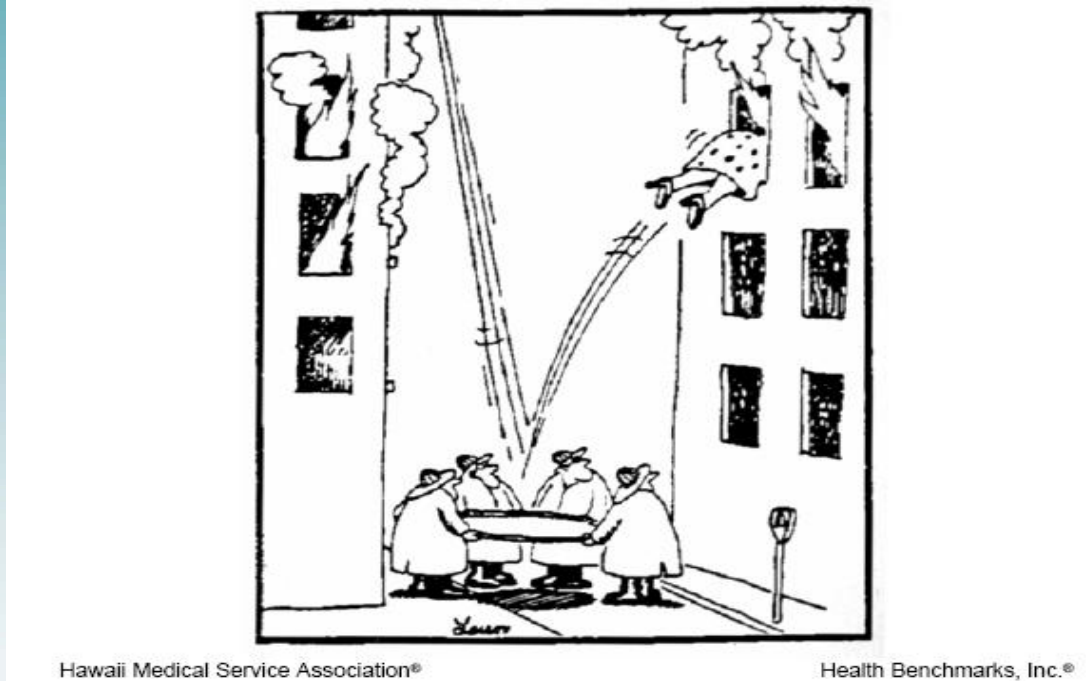
- ❑ **Southeastern Pennsylvania Rollout of the Chronic Care Initiative**
 - ❑ **SEPA**

- ❑ **Colorado Multi-Stakeholder/Multi-State PCMH Pilot**
 - ❑ **Partnering with Health Improvement Collaborative of Greater Cincinnati**

What We Know

The Healthcare System is broken

- Costs are out of control
- Mediocre quality is no longer acceptable
- Few are “satisfied” with status quo



We need to support Patient-Centered Medical Home with aligned reimbursement models!

Success is a JOURNEY not a
DESTINATION...

- Arthur Robert Ashe, Jr.

Questions?

Thank You!

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Patient Centered Primary Care Collaborative

www.pcpcc.net

Additional References

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http://www.pcpcc.net/files/PurchasersGuide/PCPCCguide_web7.9.08.pdf
- Patient-Centered Medical Home: Building Evidence and Momentum: A Compilation of PCMH Pilot and Demonstration Projects:
http://www.pcpcc.net/content/pcpcc_pilot_report.pdf
- Joint Principles of the Patient-Centered Medical Home:
<http://www.pcpcc.net/content/joint-principles-patient-centered-medical-home>
- Proposed Hybrid Payment Model:
<http://www.pcpcc.net/content/proposed-hybrid-blended-reimbursement-model>
- Fundamental Reform of Payment for Adult Primary Care: Comprehensive Payment for Comprehensive Care Goroll et al
http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=469545
- Robert Graham Center. The Patient-Centered Medical Home: History, Seven Core Features, Evidence and Transformational Change:
http://www.aafp.org/online/etc/medialib/aafp_org/documents/about/pcmh.Par.0001.File.dat/PCMH.pdf