

HHS Announced Medical Home Pilot

FYI, earlier this week, the U.S. Department of Health and Human Services announced plans for a new, state based medical home pilot to include Medicare as well as Medicaid and private payers. (See the HHS press release, below). ACP will be gathering and analyzing further information about the program as it becomes available and will pass along guidance to chapters at that time.

Secretary Sebelius Announces Medicare to Join State-Based Healthcare Delivery System Reform Initiatives

Health and Human Services Secretary Kathleen Sebelius, along with Vermont Governor Jim Douglas and Director of the White House Office of Health Reform Nancy-Ann DeParle today announced an initiative that will allow Medicare to join Medicaid, and private insurers in state-based efforts to improve the way health care is delivered. Innovative models of delivering primary care around the country are examples of the types of programs that will be part of the President's health reform plan. These are models that improve care for patients, give primary care providers better information about their patients and achieve greater value for the health dollars spent.

The new demonstration will build on a model being tested in Vermont. Under the Vermont model, private insurers work in cooperation with Medicaid to set uniform standards for "Advanced Primary Care (APC) models" also known as medical homes. These models provide incentives for doctors to spend more time with their patients and offer better coordinated higher-quality medical care.

"These demonstrations will strengthen our health care system and allow public and private providers to better work together," said Sebelius. "When Medicare, Medicaid and private insurance companies coordinate their efforts, we can improve the quality of care for Medicare beneficiaries. As we have seen in Vermont, improved efficiencies in the system mean doctors can spend more time with their patients, provide high quality care and better coordinate that care with other medical professionals."

"The Medicare pilot program announced today will help states like Vermont achieve our vision of high quality, affordable health care for all our residents," said Douglas. "This is something we had been pushing for in Vermont for quite some time and I'm thrilled that Secretary Sebelius and her team have made it happen."

In Advanced Primary Care models, physicians are given supplemental payments for achieving nationally-recognized quality standards,

coordinating care across a multidisciplinary team and monitoring patients' care outside the physician's office or hospital using health information technology.

This demonstration will mark the first time Medicare will be a full partner in these experiments and the practice model would, for the first time, align compensation offered by all insurers to primary care physicians. Instead of each third party payer and public program adopting different approaches, using different ways of measuring performance and creating different payment incentives, multi-payer programs will join together to work toward common goals to improve the delivery of care.

States wishing to participate in the new demonstration must:

- * certify they have already established similar cooperative agreements between private payers and their Medicaid program;
- * **demonstrate a commitment from a majority of their primary care doctors to join the program;**
- * meet a stringent set of qualifications for doctors who participate;
- * integrate public health services to emphasize wellness and prevention strategies.

The demonstration's design will include mechanisms to assure it generates savings for the Medicare trust funds and the federal government overall.

The Centers for Medicare & Medicaid Services will develop application materials later this fall with the expectation that the demonstration programs begin next year.

"This is a jump start on health insurance reform," said DeParle. "These demonstration projects will foster innovation, support change at the local level and help us build a better 21st century health care system."

To read a fact sheet on this initiative, visit

<http://healthreform.gov/newsroom/factsheet/medicalhomes.html>

If you have any questions on these or other topics, please contact Shuan Tomlinson at 800-338-2746 ext. 4547 or by email at stomlinson@acponline.org.

To access recent and past state health policy reports go to the State Health Policy section on the Chapter Leadership Network (CLN) website or click on:

http://www.acponline.org/cln/health_policy.htm.

September 18, 2009