Disruptive Innovation in Primary Care: The Comprehensive Primary Care Initiative

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Thank You

- For all the work that you do
- For keeping Americans healthy
- For your willingness to think differently about primary care
- We wouldn’t be having this conversation without all of your hard work

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The Affordable Care Act: New tools in the CMS toolbox

- Medical Homes
- Health Homes
- Bonus Payments – For Good Results
- Reducing Fraud, Waste & Abuse
- Medicare Shared Saving Program
- Offer Medicare patients free annual physicals and free preventive care services
- Federal Coordinated Health Care Office
- Innovation Center

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The Innovation Center

Our charge: Identify, Test, Evaluate, Scale

"The purpose of the Center is to test innovative payment and service delivery models to reduce program expenditures under Medicare, Medicaid, and CHIP…while preserving or enhancing the quality of care furnished."

– "preference to models that improve the coordination, quality, and efficiency of health care services."

- **Resources:** $10 billion funding for FY2011 through 2019
- **Opportunity to "scale up":** The HHS Secretary has the authority to expand successful models to the national level

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Measures of Success

Better healthcare - Improve individual patient experiences of care along the IOM 6 domains of quality: *Safety, Effectiveness, Patient-Centeredness, Timeliness, Efficiency,* and *Equity*

Better health - Focus on the overall health outcomes of populations by addressing underlying causes of poor health, such as: physical inactivity, behavioral risk factors, lack of preventive care, and poor nutrition

Reduced costs - Lower the total cost of care resulting in reduced monthly expenditures for Medicare, Medicaid or CHIP beneficiaries by improving care

Primary Care

- Primary care is critical to achieving the three part aim of promoting health, improving care, and reducing overall system costs
- Current visit-based fee-for-service system may not provide resources for comprehensive primary care
- CMS is exploring new care delivery and payment models

CMS Initiatives for Primary Care

- Medicare and Medicaid enhanced payments to primary care physicians (Affordable Care Act)
- Multi-payer Advanced Primary Care Practice Initiative
- FQHC Advanced Primary Care Practice Demonstration
- Medicaid Health Home
- Comprehensive Primary Care initiative

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Comprehensive Primary Care initiative

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Evidence Supporting Comprehensive Primary Care

- Community Care of North Carolina
  - Decreased preventable hospitalizations for asthma by 40 %
  - Lowered visits to the Emergency Room by 16%
- Group Health Cooperative of Puget Sound
  - Reduced emergent and urgent care visits by 29%
  - Lowered hospital admissions by 6%
- Geisinger Health Plan
  - Reduced admission rates by 18%
  - Lowered hospital readmissions by 36% per year

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Evidence Supporting Comprehensive Primary Care: Employers

- Wisconsin-based QuadMed
  - Operates five employee clinics on-site or nearby
  - The company's health costs/employee are approximately one quarter the cost of the rest of community
    - Increased quality indicators, including patient satisfaction
    - Lower rates of emergency department visits and hospital admissions

Practice and Payment Redesign through the CPC initiative

- A major barrier to transformation in *practice* is transformation in *payment*
- Will test two models simultaneously:

  Practice Redesign
  - Provision of core primary care functions
  - Better use of data

  Payment Redesign
  - PBPM care management fee
  - Shared Savings opportunity

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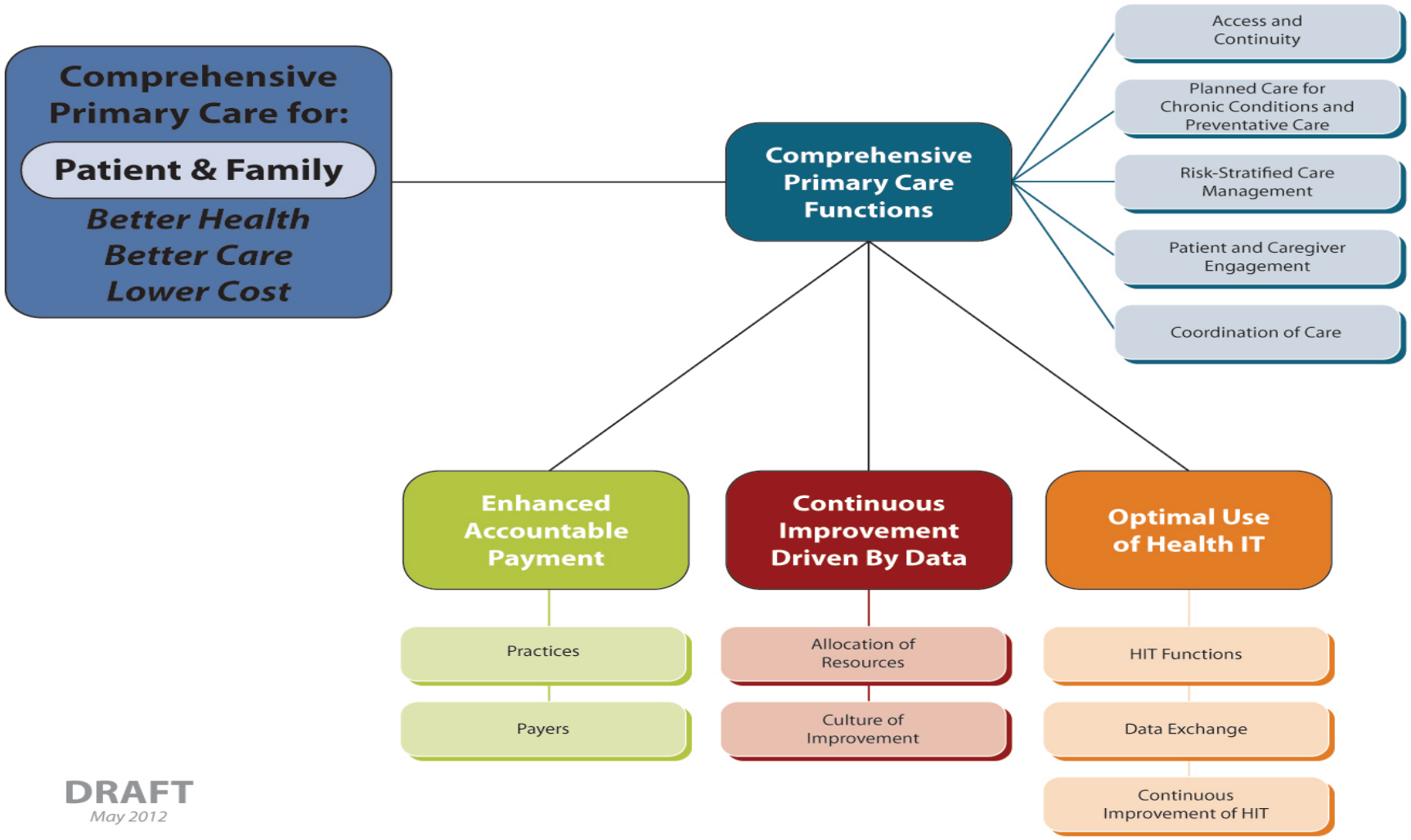
Practice and Payment Redesign through the CPC initiative



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Comprehensive Primary Care Functions: What is CMS trying to support?

1. **Risk-stratified care management**
2. **Access and continuity**
3. **Planned care for chronic conditions and preventive care**
4. **Patient and caregiver engagement**
5. **Coordination of care across the medical neighborhood**

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Three Components of Medicare Payment in the CPC initiative

- Medicare fee-for-service remains in place
- Average $20 PBPM fee (risk-adjusted) to support increased infrastructure to provide CPC for first 2 years
  - *Reduced to an average of $15 PBPM in years 3 and 4*
- Opportunity for Shared Savings in years 2, 3, and 4
  - *Calculated at the market level*
  - *Practice share determined by size, acuity and quality metrics*

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Additional Support for Primary Care Practices

- Commitment to share data with practices on utilization and the cost of care for aligned beneficiaries

- Shared learning to help practices effectively share their experiences, track their progress and rapidly adopt new ways of achieving improvements in quality, efficiency and population health

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Collaboration with Payers and Purchasers

- Individual health plans, covering only their members, cannot provide enough resources to transform primary care delivery
  - *Requires investment across multiple payers*
- CMS invited public and private insurers to collaborate in purchasing high value primary care in communities they serve

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Participating Payers and Purchasers

- Commercial Insurers
- Medicare Advantage plans
- States
- Medicaid Managed Care plans
- State/federal high risk pools
- Self-insured businesses
- Administrators of self-insured group (TPA/ASO)

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CMS invited Payers and Purchasers to align support strategies in a community

- Interested payers described in the application how they would propose to align with CMS:
  - What they are already doing to support CPC functions through enhanced, non-visit based support
  - What they would be prepared to do to support CPC functions
  - Describe the geographic area in which they would be prepared to test this model with CMS
- Payers may propose comprehensive primary support in one or more markets, through one or more lines of business

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What is a "market"?

- Interested payers described the contiguous geographic area in which they would be prepared to test this model with CMS
- Used a combination of Metropolitan Statistical Areas (MSAs), counties, and/or zip codes as descriptors
  - May span multiple MSAs and/or counties
- The final definition of a market was based on the overlapping, contiguous geographic services areas of participating payers

Market Selection

- Market selection was combination of:
  - Scoring of individual payer proposals against eligibility criteria
  - Collective “market impact” of proposals
- Markets were chosen based on where a preponderance of health care payers:
  - Applied, met criteria, were selected, and agree to participate
- Goal is to have diverse geographic representation

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The potentially viable markets

- Arkansas: Statewide
- Colorado: Statewide
- New Jersey: Statewide
- New York: Capital District-Hudson Valley
- Ohio-Kentucky: Greater Cincinnati-Dayton
- Oklahoma: Greater Tulsa
- Oregon: Statewide

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Practice Selection

- Occurs after the 5-7 markets are selected
- The goal is to enroll ~75 practices per market
- We expect to attract high-performing practices
- CMS and participating payers will enroll primary care practices who agree to provide comprehensive primary care
- CMS will sign an agreement with practices
- Payers will sign separate agreements with practices

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Practice Eligibility Criteria

(Similar to Appendix 1 in payer solicitation)

- Geographically located in a selected CPC market
- Declares willingness to transform to meet 5 key elements of comprehensive primary care
- Has at least 60% of their revenues generated by payers participating in this initiative
- Submits claims using CMS 1500 (formerly HCFA 1500) form
- Does not participate in other Medicare shared savings programs
- Serves a minimum of 150 Medicare fee-for-service beneficiaries

Note: All information on this slide is provisional draft information only.

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Additional Practice Eligibility Criteria

For practices owned by a health system, IPA, academic institution, insurance entity, or other parent owner:

- Each individual practice site must apply separately
- If the same combination of TIN and NPIs use multiple physical sites, we will treat all physical locations as one site
- Each individual practice site must attach a commitment letter from their parent owner:
  - Committing to segregate funds paid in conjunction with the CPC initiative
  - Assure that all funds flowing through this initiative will be used to support infrastructure and/or provide salary support in this practice

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Initial Practice Selection Criteria

- Electronic health records (EHR) system
  - Preference for Stage 1 Meaningful Users
- Derive a minimum of 60% of their current payer mix from participating payers
  - Preference for practices with the highest participating payer mix
- Any Primary Care Medical Home Recognition
  - Preference for practices in the highest tier/level
- Any participation in practice transformation activities in the last three years

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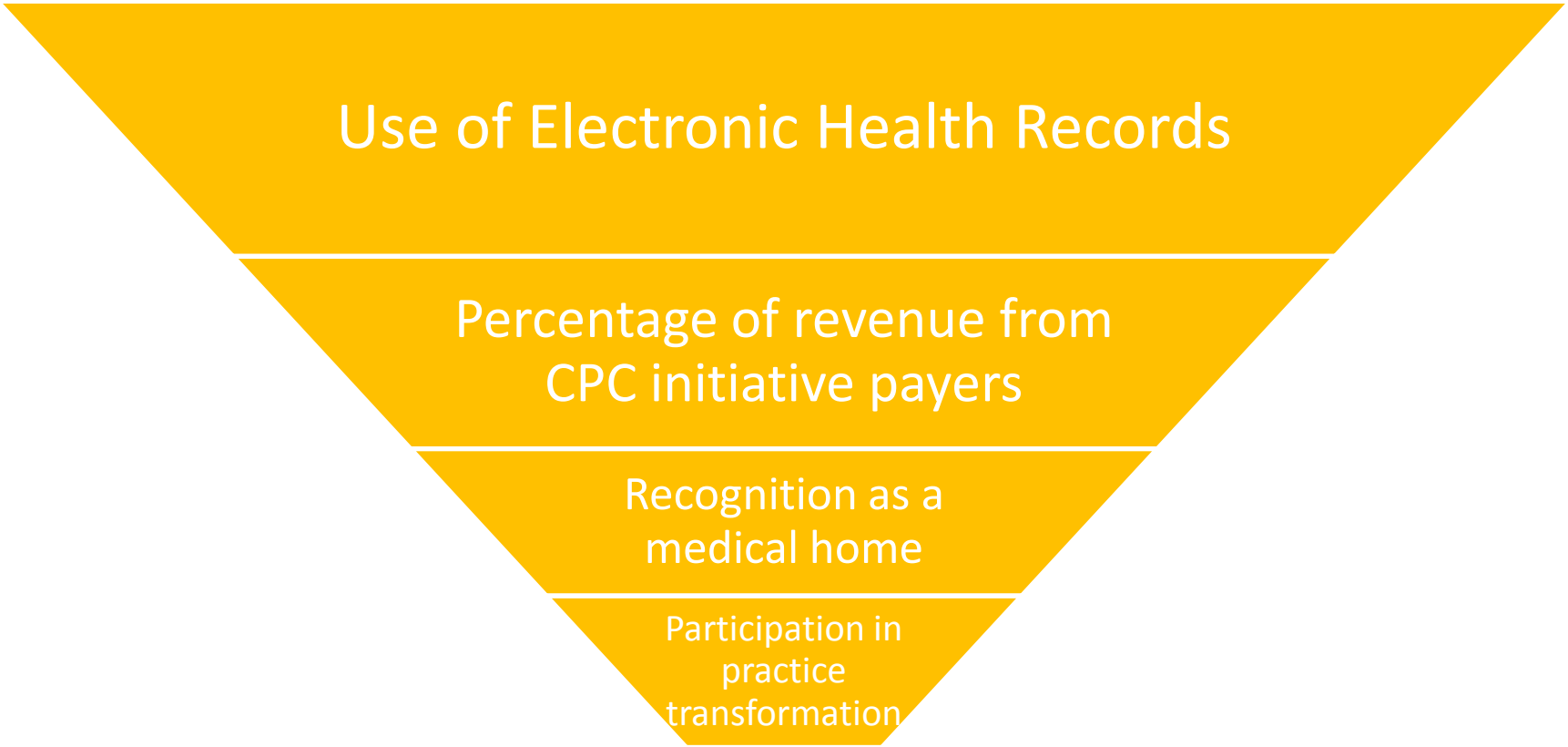
Practice Selection Scoring Factors



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Questions?

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