

MEDICARE MEDICAL HOME DEMONSTRATION (MMHD):

OVERVIEW

**Centers for Medicare & Medicaid
Services**

Baltimore, MD

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Disclaimer

- **Demonstration design is not final**
 - **Is being reviewed by CMS and Department of Health and Human Services (DHHS) leadership**
 - **Will be reviewed by Office of Management and Budget (OMB)**

Motivation

- **Unsustainable Medicare cost inflation**
- **Quality of some care is suboptimal**
- **Some care is fragmented and inefficient**

Authorization

- **Tax Relief and Health Care Act of 2006 (TRHCA), Section 204**
- **Medicare Improvements for Patients and Providers Act (MIPPA) of 2008, Section 133**

Goals

- **Improve care management**
- **Improve quality**
- **Improve patient and provider satisfaction**
- **Reduce costs**

Design Process

- Reviewed statutes, literature (especially of the American Academy of Family Physicians (AAFP), American Academy of Pediatrics (AAP), American College of Physicians (ACP), and American Osteopathic Association (AOA)), and experiences of others
- CMS consulted with ACP, AAFP, and American Geriatrics Society (AGS)
- AMA/Specialty Society Relative Value Scale Update Committee (RUC) estimated work relative value units (RVUs), office expenses, and insurance costs
- Drafted MMHD design
- Drafted the Physician Practice Connection (PPC-PCMH-CMS)

What is a Medical Home?

- **A practice that scores over the PPC-PCMH-CMS thresholds in:**
 - **Continuity of care**
 - **Clinical information systems**
 - **Delivery system design**
 - **Decision support**
 - **Patient/family engagement**
 - **Coordination of care across providers and settings**
 - **Improved access to care**

Tiered Structure

- **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 required capabilities, for example:**
 - **Discuss with patients the role of the medical home**
 - **Establish written standards for patient access**
 - **Use data to identify/track patients**
 - **Use integrated care plan**
 - **Provide patient education/support**
 - **Track tests/referrals**

Tier 2 Requirements

- Tier 1 requirements
- Use electronic health record (EHR), certified by the Certification Commission on Health Information Technology (CCHIT), to capture clinical information (for example, blood pressure, lab results, status of preventive services)
- Have systematic approach to coordinate facility-based and outpatient care
- Review post-hospitalization medication lists
- 3 of 9 additional capabilities (for example, use e-prescribing, collect performance measures)

For More Details on Tier Requirements

- Go to the Medicare Medical Home Demonstration link on the CMS website:
 - <http://www.cms.hhs.gov/DemoProjectsEvalRpts/MD/list.asp>

Practices That Start as Tier 1 Can Later Apply for Tier 2

- Practices that choose to qualify as Tier 1 initially may still apply to qualify as Tier 2 practices in subsequent years
 - Complete the PPC-PCMH-CMS
 - Provide documentation of Tier 2 capabilities
- Applications accepted Oct. – Nov. 2010 and Oct. – Nov. 2011
- Implementation contractor will review the additional documentation in December of the year of submission
- Once Tier 2 qualification is established, the practice can receive the Tier 2 care management fee

Which Physicians Are Eligible?

- **Doctor of Medicine (MD) or Doctor of Osteopathic Medicine (DO) practices providing ambulatory health care, including federally qualified health centers (FQHCs) and small-, medium-, and large-sized practices**
- **MD/DO board-certified**
- **Provide first contact and continuous care**
- **Eligible: General internist, family practice, geriatrics, most other specialties**
- **Not eligible: Radiology, pathology, anesthesiology, dermatology, ophthalmology, emergency medicine, chiropractors, psychiatry, and surgery**

Which Practices Are Qualified?

- **Must be able to provide medical home services**
 - **Oversee development & implementation of plan of care**
 - **Use evidence-based medicine & decision-support tools**
 - **Use health information technology to monitor & track health status of patients**
 - **Encourage patient self-management**
- **Capabilities qualify as Tier 1 or Tier 2 as measured by PPC-PCMH-CMS Version**

Which Patients are Eligible?

- **Medicare fee-for-service beneficiaries**
- **At least one eligible chronic condition (86% of beneficiaries)**
 - Refer to adapted Hwang et al. list (*Health Affairs* 2001) on CMS website
- **At Enrollment:**
 - **Part A and Part B coverage**
 - **Not in:**
 - ◆ Medicare Advantage
 - ◆ Hospice
 - ◆ Long-term nursing home
 - ◆ Treatment for end-stage renal disease
 - ◆ Another Medicare demonstration

Location and Sample Size

- **8 sites (A site is a state or a part of a state.)**
 - CMS has not yet selected the sites
 - Will include urban, rural, medically underserved sites
- **Sample across all 8 sites (not each site):**
 - 400 practices
 - 2,000 physicians
 - 400,000 Medicare beneficiaries

MMHD Time Line

OMB approval (expected)	Dec. 2008
Announce demonstration sites	Dec. 2008
Outreach to and recruitment of eligible practices begins	Jan. 2009
Applications accepted	Jan. – Mar. 2009
Practices notified to apply for qualification; applicants' qualifications evaluated	Apr. – Nov. 2009 (earlier is preferred)
Technical assistance available	Apr. 2009
Applicants notified of qualification	May – Dec. 2009
Qualified practices enroll eligible patients	Upon qualification – Dec. 2011
Demonstration begins; medical home service delivery and payments begin	Jan. 2010
Medical home payments and demonstration end	Dec. 2012
Evaluation ends	Dec. 2013

How Do Practices Apply?

- Practices submit application form (Jan. – Mar. 2009) (under 1 hour)
- Practices submit PPC-PCMH-CMS self survey tool and documentation of medical home capabilities (Apr. – Nov. 2009) (60 – 80 hours)
- CMS prefers that practices complete applications, PPC, and documentation as early as possible
- Implementation contractor reviews application (Jan. – Apr. 2009)
- Implementation contractor reviews PPC-PCMH-CMS and documentation (Apr. – Nov. 2009)
- Implementation contractor notifies selected, qualified practices (May – Dec. 2009)

How Do Patients Enroll?

- **Enrolled physicians enroll eligible patients**
 - **Active consent of the patient**
 - **Patient must understand mutual obligations**
 - **Both physician and patient must sign medical home agreement**
- **Physicians may enroll patients through the end of the second year of the demonstration (from practice qualification through Dec. 2011)**
- **Payments begin Jan. 2010; end Dec. 2012**
- **Practices submit annual patient renewal form**

What Are the Benefits to Practices?

- **Care management fee**
- **Share in savings**
- **Ability to provide better quality care to patients**
- **Improved practice work flow**
- **Improved job satisfaction**

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**

How Will Savings Be Shared with Practices?

- **The first 2% of savings are not shared**
- **80% of the savings above the first 2% (minus fees) are shared with participating practices**
- **Allocated based on member-months of enrolled patients**

Sources of Information: Qualifying for the Demonstration

- Information on
 - Requirements for each tier
 - PPC-PCMH-CMS contents and required documentation
 - How the PPC-PCMH-CMS will be scored
- Sources
 - CMS website
 - ◆ <http://www.cms.hhs.gov/DemoProjectsEvalRpts/MD/list.asp>
 - CMS email lists
 - Physician societies
 - Hardcopy mailing

Sources of Information: Becoming a Medical Home

- **Lipitz Center for Integrated Health Care, Johns Hopkins School of Public Health (funded by The John A. Hartford Foundation)**
- **AAFP, ACP, AOA, and TransforMed**
- **Other private entities – pharmaceutical companies, disease management firms, consultants**

Patient Transitions that Lose Eligibility

- **Patients lose eligibility if they**
 - Do not sign an annual reenrollment form
 - Move away from the demonstration site
 - Lose Part A or B coverage
 - Enroll in Medicare Advantage
 - Disenroll from the demonstration
 - Change to a new practice not enrolled in the demonstration
 - Enter the ESRD program
 - Die

Patient Transitions that Retain Eligibility

- **Patients retain eligibility if they**
 - Change to another practice enrolled in the demonstration (payment goes to the new practice)
 - Receive home health care
 - Enter a nursing home (unless personal physician makes assignment to a nursing home physician)
 - Begin hospice care

MMHD Evaluation

- **How practices provide medical home services**
- **Impacts of medical home services on:**
 - Medicare cost and utilization
 - Quality-of-care and health outcomes
 - Physician and practices—work flow, costs, satisfaction
 - Patients and their families—experience of care

Comments and Additional Questions

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