

Towards a A High Performance Health System: Potential of Patient-Centered Primary Care "Medical Homes"

Cathy Schoen
Senior Vice President, The Commonwealth Fund

Robert Graham Center for Policy Studies in Family Medicine and Primary Care, Primary Care Forum Washington, D.C.

May 23, 2008

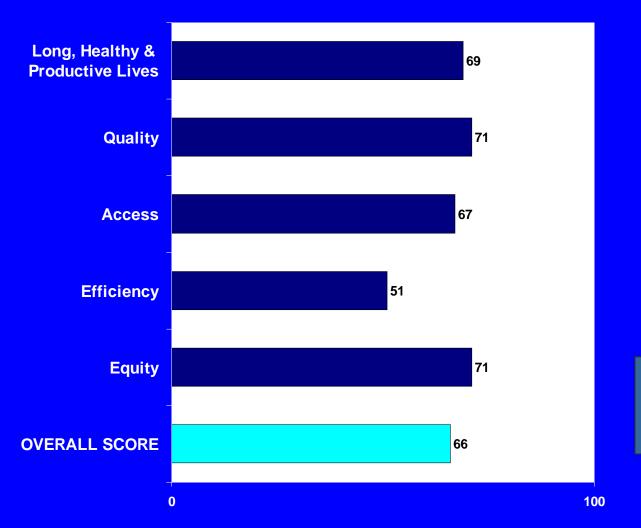
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Aiming for a High Performance Health System

- What is the vision? A High Performance Health System
 - Opportunities to Improve Access, Outcomes and Cost Performance
- Key Strategies for Change
 - Coverage: Access, Quality and Efficiency
 - Bending the Curve: Savings and Value
- Potential and Role of Patient-Centered Medical Homes
 - Payment and support systems
 - U.S and International approaches
- Moving forward



Why Not the Best?: Commonwealth Fund Commission National Scorecard on U.S. Health System Performance





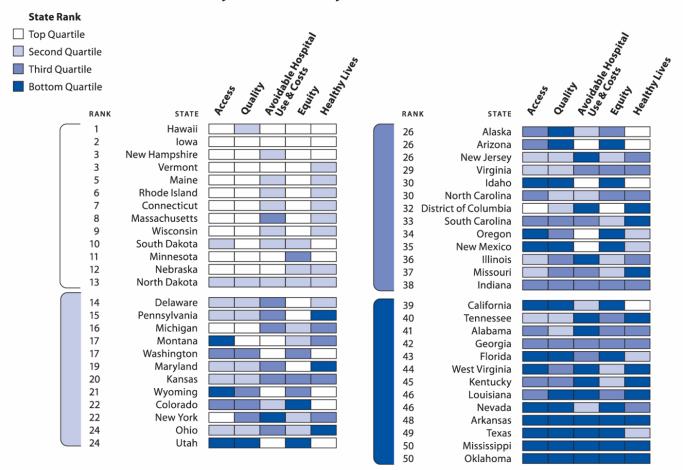
- 37+ Indicators
- U.S. compared to benchmarks

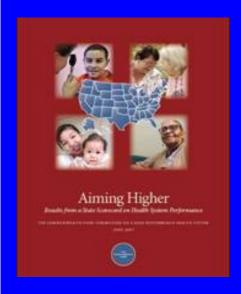


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Aiming Higher: Commonwealth Fund Commission State Scorecard on Health System Performance

State Scorecard Summary of Health System Performance Across Dimensions



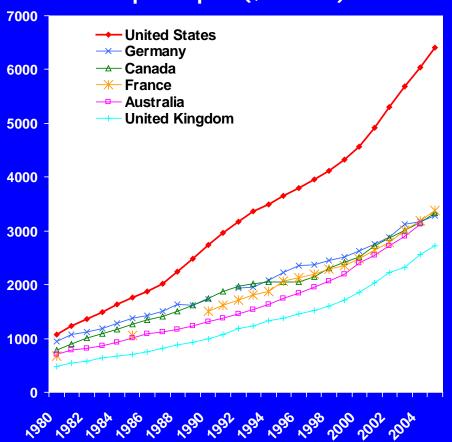


- State ranks
- 32 indicators

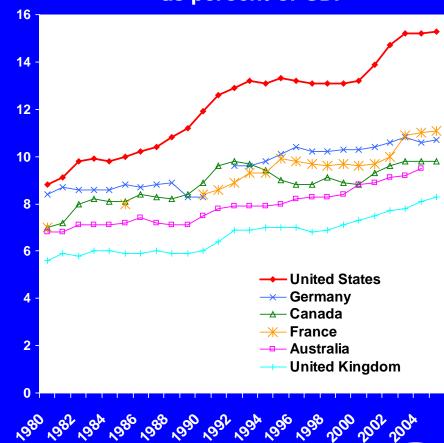


International Comparison of Spending on Health, 1980–2005



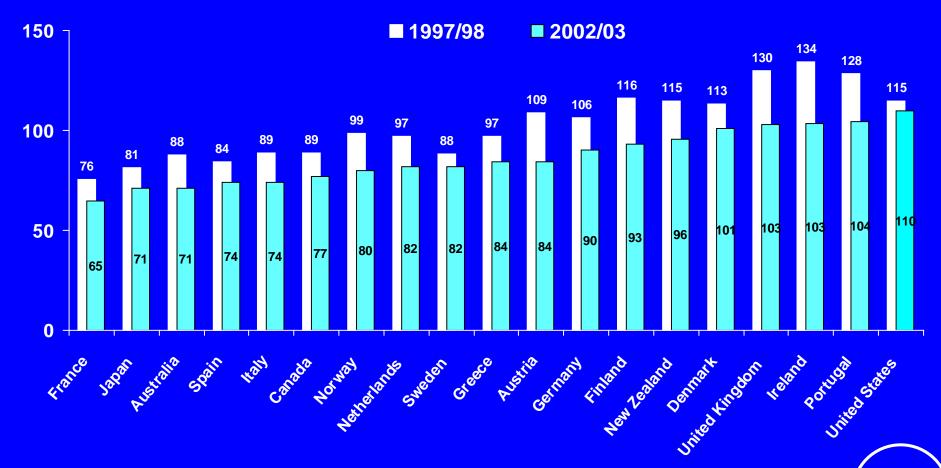


Total expenditures on health as percent of GDP



Mortality Amenable to Health Care U.S. Rank Fell from 15 to Last out of 19 Countries

Deaths per 100,000 population*



^{*} Countries' age-standardized death rates, ages 0–74; includes ischemic heart disease. Source: E. Nolte and C. M. McKee, Measuring the Health of Nations: Updating an Earlier Analysis, *Health Affairs*, January/February 2008, 27(1):58–71

Five Key Strategies for High Performance

- A High Nerformance Health Systems for the United States:

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- Extend affordable health insurance to all
- 2. Align financial incentives to enhance value and achieve savings
- 3. Organize the health care system around the patient to ensure that care is accessible and coordinated
- 4. Meet and raise benchmarks for high-quality, efficient care; Information systems
- 5. Ensure accountable national leadership and public/private collaboration

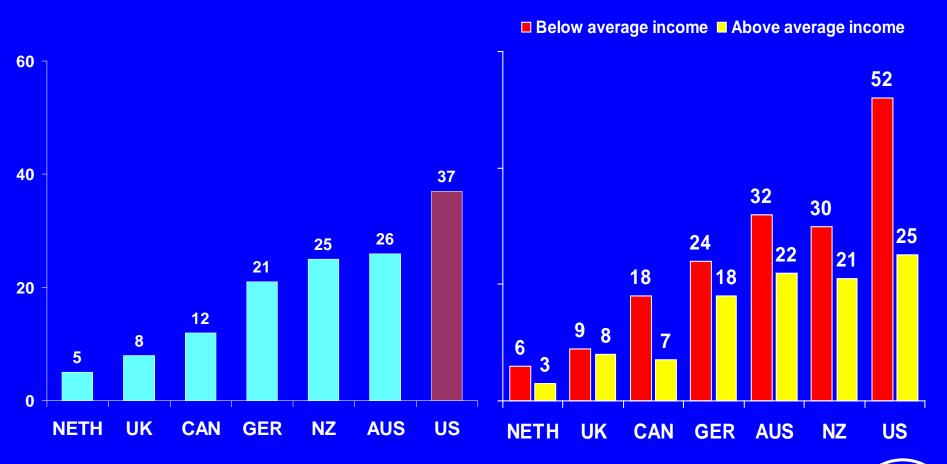


Extending Affordable Insurance for All Essential for High Performance

- Access barriers to essential care; Inequities
- Poor access to care is linked to poor quality and inefficient care
- Fragmented health insurance system makes it difficult to control costs
 - Financing of care for uninsured and underinsured families is inefficient
- Design matters: Positive incentives in benefit design and insurance markets are lacking

U.S. Stands Out for Cost-Related Access Problems, Eight Country Comparison 2007

Percent of adults who had any of three access problems* in past year because of costs



^{*} Did not see a doctor, skipped test, treatment, or follow-up, or did not fill Rx or skipped doses because of cost. AUS=Australia; CAN=Canada; GER=Germany; NETH=Netherlands; NZ=New Zealand; UK=United Kingdom; US=United States.

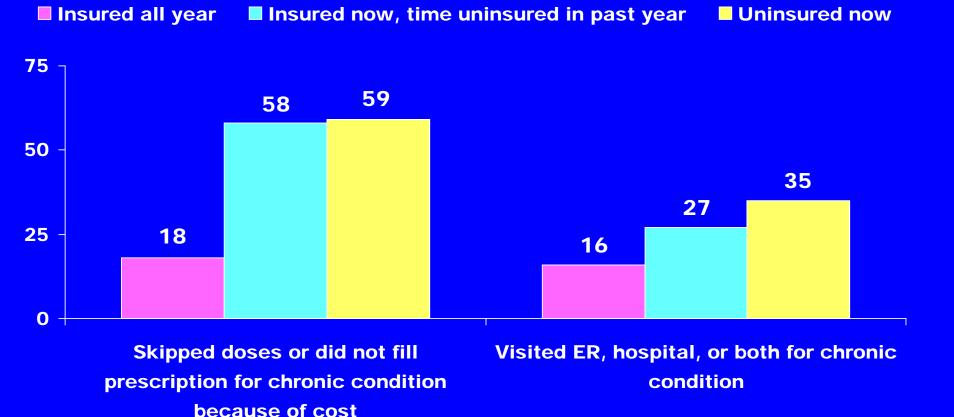
Source: Commonwealth Fund 2007 International Health Policy Survey, in U.S. National Scorecard, 2008, forthcoming.





Adults Without Insurance Are Less Likely to Be Able to Manage Chronic Conditions

Percent of adults ages 19-64 with at least one chronic condition*



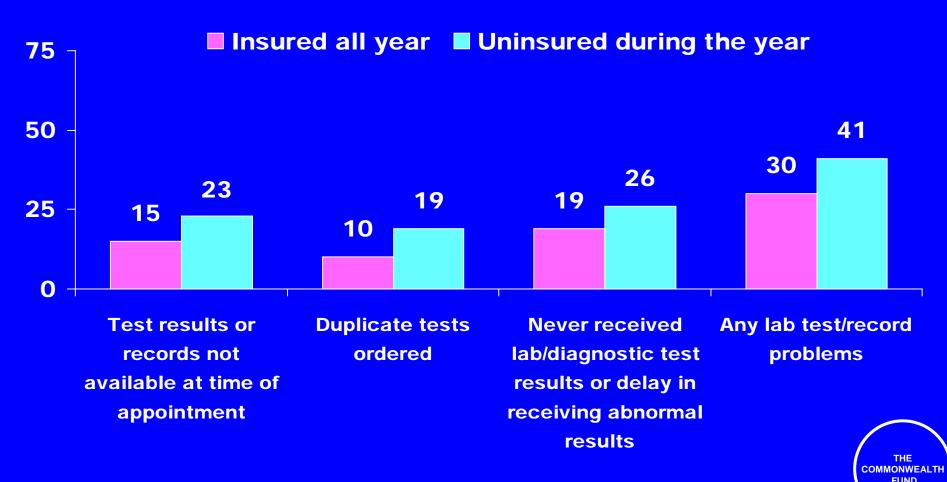
^{*}Hypertension, high blood pressure, or stroke; heart attack or heart disease; diabetes; asthma, emphysema, or lung disease.

Source: S. R. Collins, K. Davis, M. M. Doty, J. L. Kriss, A. L. Holmgren, *Gaps in Health Insurance: An All-American Problem*, The Commonwealth Fund, April 2006.



Adults Without Insurance Have More Problems With Lab Tests and Records

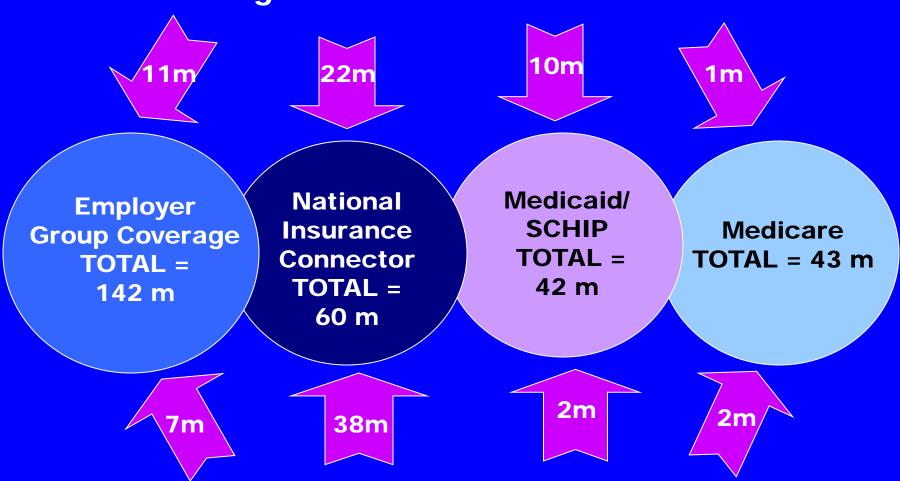
Percent of adults ages 19-64 reporting the following coordination problems in past two years:



Source: S. R. Collins, K. Davis, M. M. Doty, J. L. Kriss, and A. L. Holmgren, *Gaps in Health Insurance: An All-American Problem*, The Commonwealth Fund, April 2006.

Building Blocks for Automatic and Affordable Health¹² Insurance For All: National Insurance Connector

New Coverage for 44 Million Uninsured in 2008



Improved or More Affordable Coverage for 49 Million Insured

Source: C. Schoen, K. Davis, and S.R. Collins, "Building Blocks for Reform: Achieving Universal Coverage With Private and Public Group Health Insurance," *Health Affairs* 27, no. 3, May/June 2008.

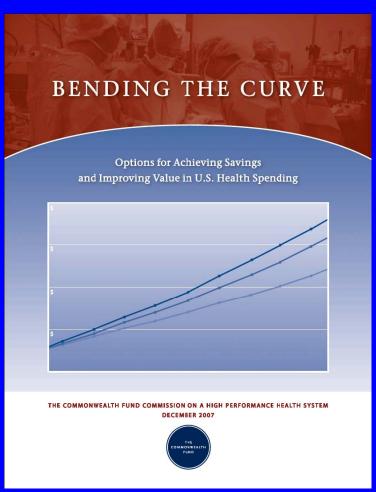
Aiming for a High Performance, High Value Delivery System

Attributes

- Timely patient access to appropriate care
- Clinical information available to all providers at time of care and to patients
- Patient care is coordinated among providers and during transitions across sites
- Care systems are accountable for outcomes and to each other
- Payment systems aligned with outcomes and support innovation, learning
- Core strategies to achieve integrated, accountable care systems
 - Payment incentives and organizational change
 - Central role and potential of primary care and medical home approaches
 - Infrastructure to meet and raise performance benchmarks

Bending the Curve: Options to Achieve Savings and Improve Value

- Producing and using better information
- Promoting health and disease prevention
- Aligning incentives with quality and efficiency
- Correcting price signals in the health care market





Fifteen Options that Achieve Savings **Cumulative 10-Year Savings**

Producing and Using Better Information		
•	Promoting Health Information Technology	-\$88 billion
•	Center for Medical Effectiveness and Health Care Decision-Making	-\$368 billion
•	Patient Shared Decision-Making	-\$9 billion
Pr	omoting Health and Disease Prevention	
•	Public Health: Reducing Tobacco Use	-\$191 billion
•	Public Health: Reducing Obesity	-\$283 billion
•	Positive Incentives for Health	-\$19 billion
Ali	gning Incentives with Quality and Efficiency	
•	Hospital Pay-for-Performance	-\$34 billion
•	Episode-of-Care Payment	-\$229 billion
•	Strengthening Primary Care and Care Coordination	-\$194 billion
•	Limit Federal Tax Exemptions for Premium Contributions	-\$131 billion

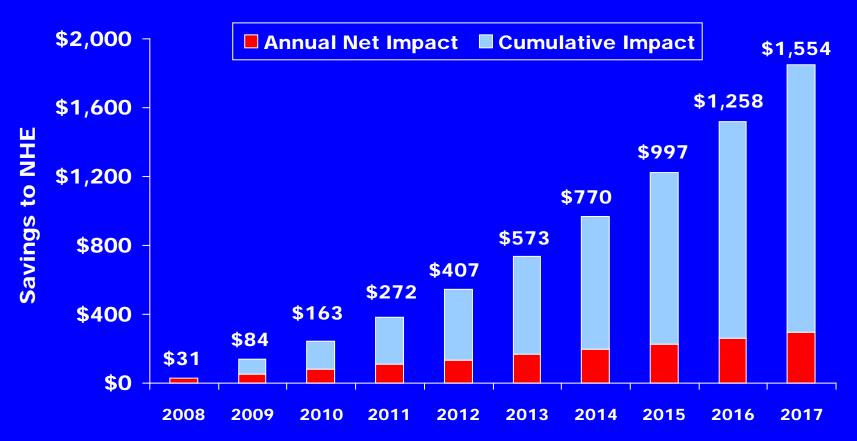
•	Reset Benchmark Rates for Medicare Advantage Plans	-\$50 billion
•	Competitive Bidding	-\$104 billion
•	Negotiated Prescription Drug Prices	-\$43 billion
•	All-Payer Provider Payment Methods and Rates	-\$122 billion
•	Limit Payment Updates in High-Cost Areas	-\$158 billion

Source: C. Schoen et al., Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending, The Commonwealth Fund, December 2007.

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Cumulative Impact on National Health Expenditures of Insurance Connector Approach Plus Selected Individual Options

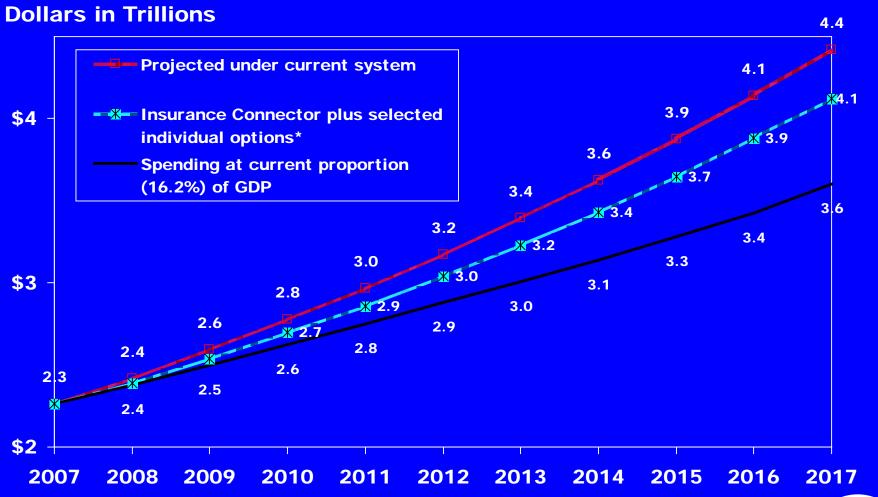
Dollars in Billions



Savings options include: Health Information Technology, Center for Medical Effectiveness, Public Health, Episodeof-Care, Strengthening Primary Care, Benchmark Rates, and Prescription Drug Prices.

Source: C. Schoen et al., Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending, The Commonwealth Fund, December 2007.

Total National Health Expenditures, 2008 - 2017 Projected and Various Scenarios

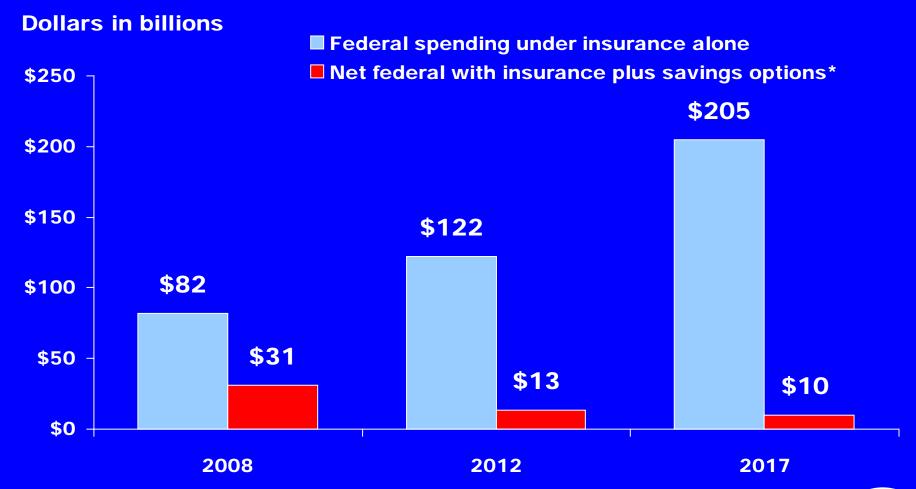


^{*}Savings options include: Health Information Technology, Center for Medical Effectiveness, Public Health, Episode-of-Care, Strengthening Primary Care, Benchmark Rates, and Prescription Drug Prices.

Source: C. Schoen et al., *Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending*, The Commonwealth Fund, December 2007.



Savings Can Offset Federal Costs of Insurance For All: Federal Spending Under Two Scenarios



^{*} Selected options include improved information, payment reform, and public health.

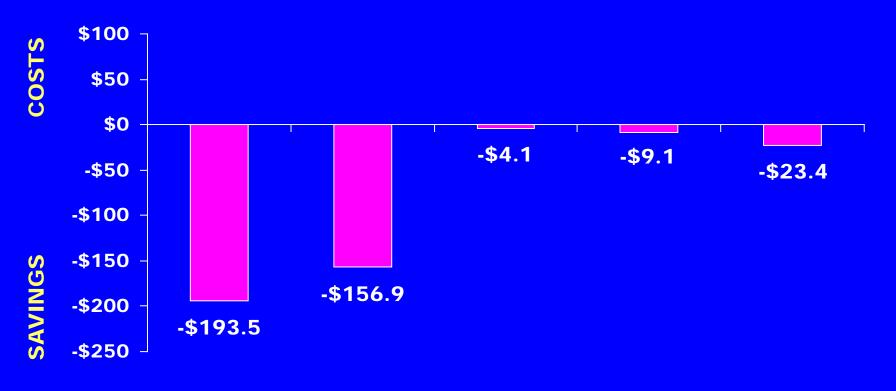
Data: Lewin Group estimates of combination options compared with projected federal spending under current policy.

Source: C. Schoen et al., *Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending*, The Commonwealth Fund, December 2007.



Strengthening Primary Care and Care Coordination in Medicare: Distribution of 10-Year Impact on Spending

Dollars in billions



Systemwide Federal State and Private Households
Gov't Local Gov't Payer

Source: C. Schoen et al., *Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending*, The Commonwealth Fund, December 2008.



What is a Medical Home?

- "A medical home is not a building, house, or hospital, but rather an approach to providing comprehensive primary care. A medical home is defined as primary care that is accessible, continuous, comprehensive, family centered, coordinated, compassionate, and culturally effective."
 - American Academy of Pediatrics



2020 Vision

Accessible Patient Centered Coordinated Care

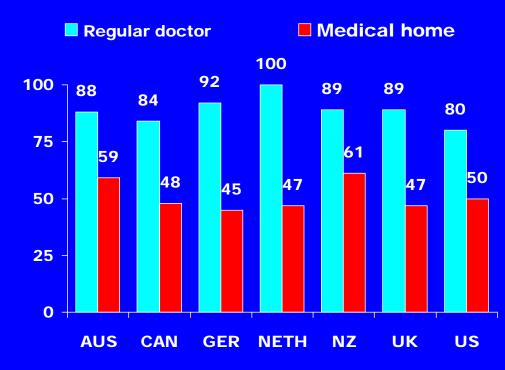




Key 2007 International Survey Findings

- In each country, having a "medical home" improves patient experiences:
 - Patient safety
 - Coordination: with specialists/across sites of care; duplication & delays
 - Patient satisfaction
 - Chronic care management
- But many in each country do not have such medical homes

Adults with a Medical Home*

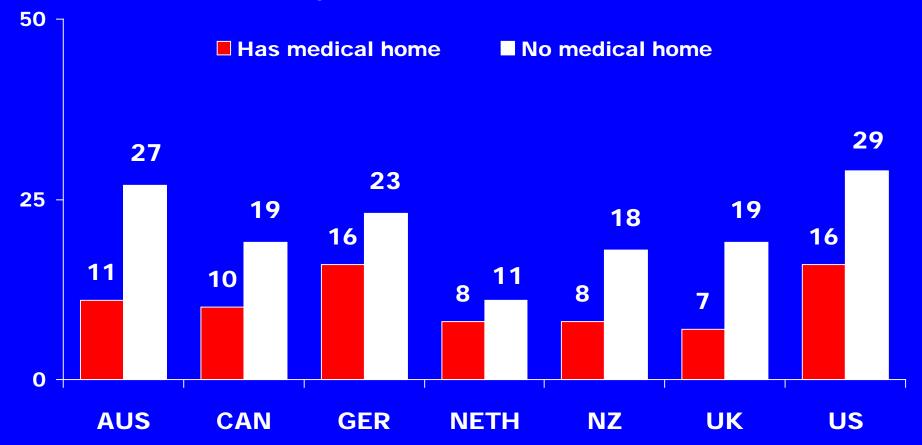


*Medical home: Regular provider; knows you; easy to contact; coordinates your care



Coordination Problems: Medical Records Not Available During Visit or Duplicative Tests

Percent with coordination problems



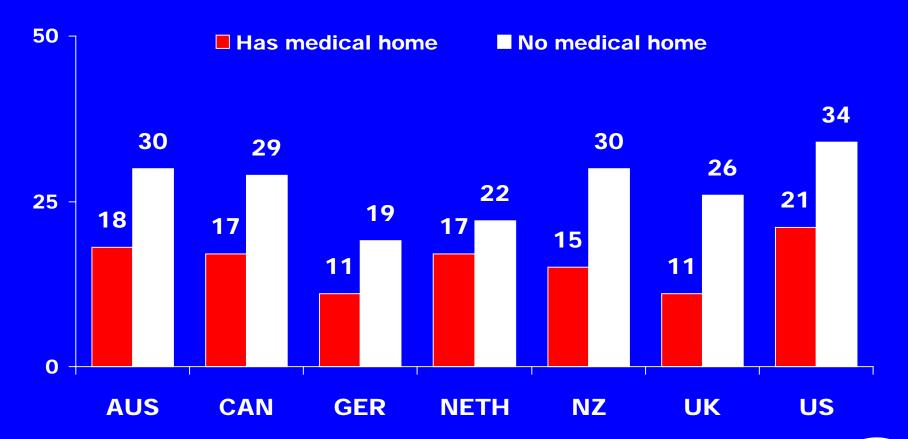
Note: Medical home includes having a regular provider that knows you, is easy to contact, and coordinates your care.

Source: 2007 Commonwealth Fund International Health Policy Survey (Schoen et al., "Higher-Performance Health Systems" *Health Affairs* Oct. 31, 2007).



Safety: Any Patient-Reported Error

Base: Adults with chronic condition Percent any medical, medication, or lab error



Note: Errors include medical mistake, wrong medication/dose, or lab/diagnostic errors. Medical home includes having a regular provider that knows you, is easy to contact, and coordinates your care.

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Source: 2007 Commonwealth Fund International Health Policy Survey (Schoen et al., "Higher-Performance Health Systems" *Health Affairs* Oct. 31, 2007).

Patient-Centered, Coordinated Primary Care Medical Homes as Part of A Systems Approach to Access, Quality and Efficiency

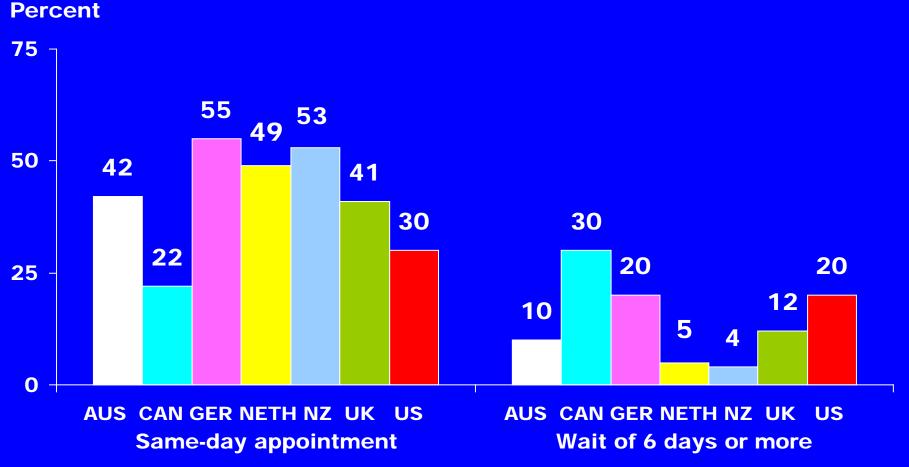
- Superb, timely access to care
- Patient engagement in care
- Information systems that support high-quality care
- Routine patient and clinical information feedback to doctors
- Coordinated care, integrated and team care
- Incentives and system support to improve/innovate

Approach to patient-centered care, redesigned primary care

 Part of "system" of care that aims to organize care around the patient and focus on outcomes



Waiting Time to See Doctor When Sick or Need Medical Attention, 2007

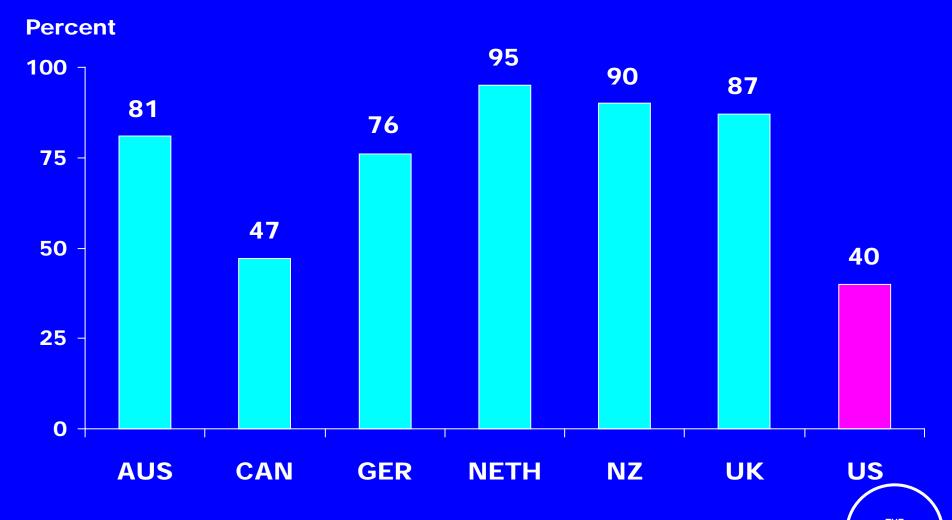




Source: 2007 Commonwealth Fund International Health Policy Survey (Schoen et al., "Higher-Performance Health Systems" *Health Affairs* Oct. 31, 2007).

COMMONWEALTH

Primary Care Doctors: Practice Has Arrangement for Patients' After-Hours Care to See Nurse/Doctor, 2006



Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians (Schoen et al., "On The Front Lines of Care: Primary Care Doctors' Office Systems, Experiences, and Views in Seven Countries," *Health Affairs* Nov. 2, 2006).



Lawton Chiles Children and Family Health Care Center (Brandenton, Florida)

- Implemented open access in 2002
- Connected each patient with personal MD or NP
- Increased hours of operation to include weekends
- Instituted patient care teams:
 - Divided staff into 6 cells or teams
 - Trained teams to perform all functions
 - Cross trained clinical team and staff
 - Expanded role of existing staff (e.g., referral clerk becomes receptionist)

Outcomes:

- Wait time to schedule well child visit decreased from 14 to < 1 day.
- Office wait times dropped from 66 to 45 minutes, and then from 45 to 9 minutes when a patient care coordinator was added to the team
- Hospitalizations for children dropped dramatically (from approximately 1800 to 775 per year)





International Innovations in Access "After-Hours" - Early Morning, Nights and Weekends

Denmark

- County-wide physician cooperatives with phone and visit center
- Computer connections to medical records
- Reduce physician workload; increase phone consults

Netherlands

- 2000/2003: Cooperatives evening to 8 AM and weekends;
- Nurse led with physician available, backup;
- Office visits and house calls
- Reduce physician workload and use of emergency rooms, ambulance calls; now integrating with electronic records

UK

- Walk in centers
- National Help Line: NHS Direct
- Multiple points of access: email, electronic medical records

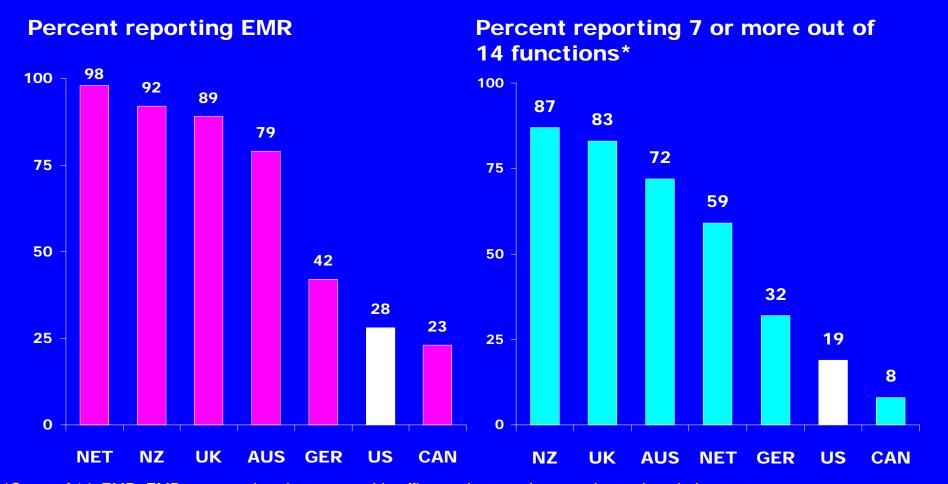


Information Systems and Infrastructure



Where Are We on IT?

Only 28% of U.S. Primary Care Physicians Have Electronic Medical Records; Only 19% Have Advanced IT Capacity



*Count of 14: EMR, EMR access other doctors, outside office, patient; routine use electronic ordering tests, prescriptions, access test results, access hospital records; computer for reminders, Rx alerts, prompt tests results; easy to list diagnosis, medications, patients due for care.

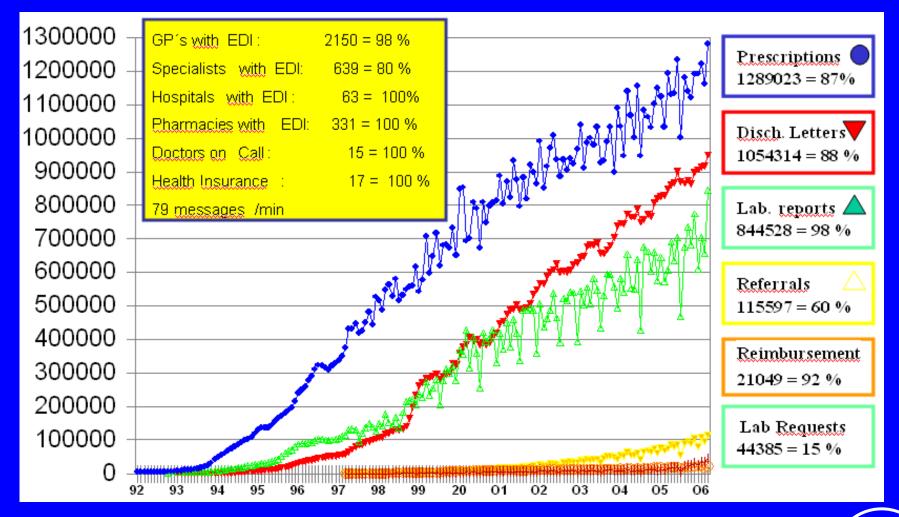
Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians (Schoen et al., "On the Front Lines of Care," *Health Affairs* Nov. 2, 2006.



Denmark Leads the Way In IT and Patient-Centered Primary Care: An Example of High Performance

- Highest public satisfaction with health system among European countries
- Strong primary care base with after-hours service
- Health information technology and information exchange
 - 98% of primary care physicians totally electronic health records and e-prescribing
 - Paid for e-mail with patients
 - All prescriptions, lab and imaging tests, specialist consult reports, hospital discharge letters flow through a single electronic portal accessible to patients, physicians, and home health nurses
 - Specialist payment depends upon filing information in the electronic portal

MedComm - The Danish Health Data Network





Why Invest in E-Health? Denmark Physicians and Patients Example

Doctors:

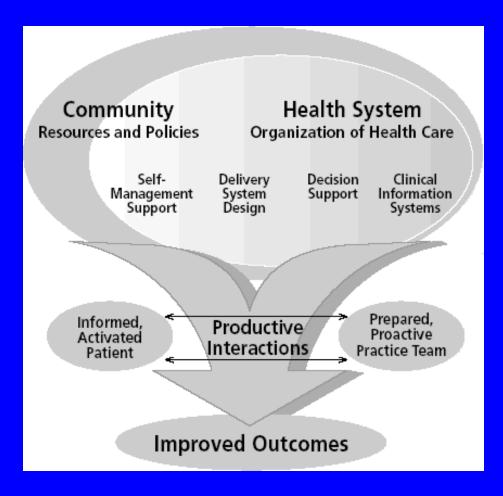
- 50 minutes saved per day in GP practice
- Information ready when needed
- Telephone calls to hospitals reduced by 66%
- E-referrals, lab orders
- Patient e-mail consultation, Rx renewal

Patients:

- Reduced waiting times, greater convenience
- Info about treatments, number of cases
- Patients access to own data
- Preventive care reminders
- Info about outcomes



Engaging Patients and Managing Care Chronic Care Model and Medical Home Fit Together



- Chronic care model requires a team, patient-centered approach, IT support
- Country initiatives around disease management or frail elderly have elements related to building medical homes



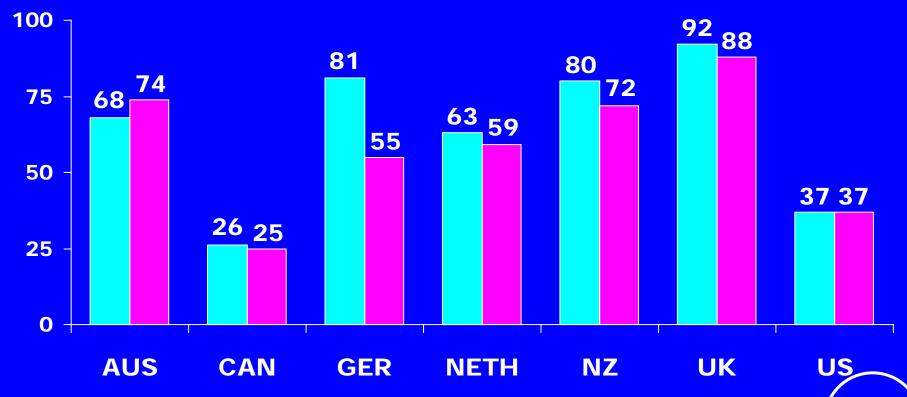
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Primary Care Practice Capacity to Generate Patient Information

Percent of primary care practices reporting easy to generate

■ List of patients by diagnosis

■ List of patients' medications, including Rx by other doctors



Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians (Schoen et al., "On the Front Lines of Care," *Health Affairs* Nov. 2, 2006.

Country Initiatives

Incentives for Quality Improvement

- UK: GP Contract
- New Zealand: Primary Health Organizations
- Australia: Practice Incentives Program; reimbursement for coordination, and nurse support
- Germany: Global fees, Statutory Disease Management Programs
- Sweden: Co-location of services; expanded use of nurses
- Netherlands: Support for nurses on primary care team

Information Technology and Electronic Medical Records

- UK: Connecting for Health
- Canada: Health Infoway
- Germany and Australia: Electronic, portable personal health records
- Denmark: National HIT and exchange



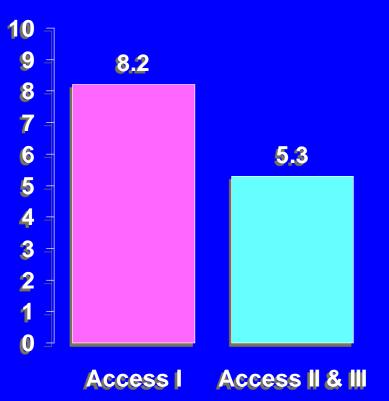


Community Care of North Carolina

Asthma Initiative: Pediatric Asthma Hospitalization Rates

(April 2000 - December 2002)

In patient admission rate per 1000 member months





- 15 networks, 3500 MDs, >750,000 patients
- Receive \$3 PM/PM from the State
- Hire care managers/medical management staff
- PCP also get \$3 PMPM to serve as medical home and to participate in disease management
- Care improvement: asthma, diabetes, screening/referral of young children for developmental problems, and more!
- Case management: identify and facilitate management of costly patients
- Cost (FY2004) \$10.2 Million; Savings (Mercer analysis) \$124M compared to FY2003; Savings \$225M compared to Medicaid FFS

Disease Management German-style

- Conditions: Diabetes, COPD, coronary heart disease, breast cancer
- Funding from government to 200+ private insurers (sickness funds)
 - Insurers receive extra risk-adjusted payments to cover patients with these conditions
 - Insurers pay primary care docs to enroll eligible patients into programs & provide periodic reports back to the docs (the closest to coordination)
 - Patients: reduced cost sharing if enrolled
 - Care guideline protocols plus patient education
 - Country-wide evaluation of results



Medical Home System Examples Exist in U.S.: More than One Model of Medical Home



GroupHealth











Strategies to Spread and Support Development of Enhanced Primary Care





Primary Care and Accountable Coordinated Care Systems

- Encourage development and selection of a medical home
 - Recognition of primary care practices with medical home capacity
 - New capitation payment to primary care practices in return for access, coordination
 - Revise relative value scales
- Incentives for physicians to band together into real or virtual networks
 - Separate capitation payment to support community nurse/coordination networks. North Carolina example
 - Bundled payments and episodes of care. Example global rate for hip replacement, up to 90 days post-operations
- Incentives for patients to designate medical home
- Expand and develop use of electronic health records, information exchange, and decision support
- Quality, outcomes and patient experience feedback systems

National Measures to Recognize Medical Homes Exist: Physician Practice Connections (PCMH)



Practice must demonstrate proficiency in at least five areas to qualify as PCMH, such as:

- Written standards for patient access and patient communication; use of data to show meet this standard
- Use of paper or electronic-based charting tools to organize clinical information
- Use of data to identify important diagnoses and conditions in practice
- Adoption and implementation of evidence-based guidelines for three conditions
- Active support of patient self-management
- Tracking system to test and identify abnormal results
- Tracking referrals with paper-based or electronic system
- Measurement and reporting of clinical and/or service performance by physician or across the practice



Bridges to Excellence Medical Home Payment Initiative



- A multi-state, multiple employer initiative which gives primary care physicians \$125/patient covered by participating employer for providing "medical homes"
- Participants include large employers (Ford, GE, Humana, P&G, UPS, and Verizon), health plans, NCQA, MEDSTAT and WebMD, among others
- Medical home metrics include: follow-up on referrals to other MDs, systematically tracking tests, flagging abnormal results in a standardized way, and adhering to medical guidelines to monitor and treat chronic conditions like diabetes and hypertension
- Improvements in quality is estimated to save \$250-\$300 per patient in the first year

Opportunities for Provider and Public Action: Participate, Innovate, and Advocate

- Support affordable and universal health insurance, including simplification
- Align financial incentives to enhance value; organize around episodes of care
- Redesign care around the patient
 - Follow patient journey through practice & hospital
 - Obtain patient experience feedback
- Meet and raise benchmarks for high-value care
- Ensure accountable leadership and collaborate



Moving Forward: Why Not the Best?

- Insurance
 - Expand to all with focus on care and continuity
 - Population focus on outcomes
- Payment
 - Realign incentives, positive support to change
 - Levels and methods to encourage more integrated, organized care
- Capacity to practice as a "system" and medical home
 - HIT and Exchange: Develop adequate information systems
 - Enhance coordination and connections across sites of care
 - Rapid access, after-hours care; Multiple points of access
 - Co-location and teams; community support services
- Aiming High: Achieving consensus requires that everyone participate and come together for the greater good



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A Private Foundation Working Toward a High Performance Health System

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International Survey: Medical Errors, Skipped Care More Common in U.S.

November 1, 2007 - U.S. adults are more likely than adults in six other countries to say they experienced medical errors, more likely to report they went without care because of the cost, and more likely to feel the health care system needs to be rebuilt completely, a Commonwealth Fund survey finds. A New York Times editorial discusses the new survey. Read more »

Testimony: Need for Universal Health Coverage More Urgent Than Ever

November 14, 2007 - In invited testimony, The Commonwealth Fund's Sara Collins, Ph.D., told a House Ways and Means subcommittee that "it is essential on both moral and economic grounds that the United States move forward to guarantee affordable, comprehensive, and continuous health insurance for everyone." Read more »



Can Care Be Patient-Centered and Clinically Efficient?

□ November 12, 2007 - In an article for the Bulletin of the

Royal College of Pathologists, Commonwealth Fund executive vice president Stephen Schoenbaum explores ways that clinical laboratories can work toward the goal of patient-centered, efficient care-by making care simpler and more streamlined and by ensuring patients receive timely, comprehensible information about clinical testing and test results. Read more »



Community Health Center Patients Have Trouble Getting Specialty Care

Community health centers are

Cotober 30, 2007 -



Reducing Hospitalizations and Cutting Costs in Nursing Homes

□ November 6, 2007 - Better provention and treatment of



The mission of The Commonwealth Fund is to promote a high performing health care system that achieves better access, improved quality, and greater efficiency, particularly for society's most vulnerable.

DC Policy Updates

Washington Health Policy Week in Review

MedPAC debates the value of Medicare Advantage; health care is top issue among Democratic and Republican voters; and more. Read more »

Commission on a High Performance Health System

Comparing Different Paths to Health Insurance Reform

A new report from the Commonwealth Fund Commission on a High Performance Health System presents principles for health care reform that will be critical to achieving universal coverage and a high performance health system. Read more »

Newsletter Spotlight

September/October 2007

incentives to promote healthy behaviors; promising programs in Illinois, San Francisco, and Washington State: presidential candidates' health reform plans; and more. Read more »

From the President

Making Payment Reform Possible

Any discussion of payment reform in health care raises a fundamental question: What do we want out of our health system? What most of us want is a health system that offers the best possible outcomes at an affordable price.

Read more »



States in Action:

A look at how states are using

Thank You! Acknowledgments



Karen Davis, President kd@cmwf.org



Stephen Schoenbaum, M.D., Executive Vice President and Executive Director, Commission on a High Performance Health System scs@cmwf.org



Melinda Abrams, Senior Program Officer mka@cmwf.org



Sabrina How, Senior Research Associate skh@cmwf.org



Related Publications and Fund Reports

- C. Schoen, K. Davis, and S. Collins, "Building Blocks for Reform: Achieving Universal Coverage with Private and Public Group Health Insurance," *Health Affairs*, May/June 2008
- C. Schoen, S. Guterman, A. Shih et al., Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending, The Commonwealth Fund, December 2007.
- Commonwealth Fund International Health Policy Surveys
 - C. Schoen, R. Osborn, M. Doty et al., "Toward Higher-Performance Health Systems: Adults' Health Care Experiences in Seven Countries, 2007," Health Affairs Web Exclusive, October 31, 2007.
 - C. Schoen, R. Osborn, P. T. Huynh et al., "On The Front Lines of Care: Primary Care Doctors' Office Systems, Experiences, and Views in Seven Countries," Health Affairs Web Exclusive, November 2, 2006.
- A. Goroll, R. Berenson, S. Schoenbaum, and L. Gardner, "Fundamental Reform of Payment for Adult Primary Care: Comprehensive Payment for Comprehensive Care," Journal of General Internal Medicine, March 2007; 22:410–415.

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