

Using Provider Incentives to Advance the Patient Centered Medical Home

Breakthroughs in Patient-
Centered Medical Homes

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Important Points

- American health care needs effective primary care as demonstrated in the patient-centered medical home PCMH
- Incentive and reimbursement will rely more on performance than achieving structural changes (recognition or accreditation programs)
- Our “alignment” is not perfect but is evolving



A Story of:



Two Hats

Family Physician



- “A Different Way of Doctoring”

Lynn Carmichael, *Fam Med* 1985; 17 (5): 185-8



Primary Care Training



- “Family Medicine should first and foremost characterize the type of relationship a doctor has with the patient
 - *Affinity*
 - *Intimacy*
 - *Reciprocity*
 - *Continuity*”
- “Population-based, person-centered care”

Primary Care Training



- Care provided by multi-disciplinary teams that included behavioral providers and health educators
- Doctrine of “clinical parsimony” – technology must be proven safe and effective before adoption
- Holistic conferences
- “If you hold your patients’ hands for 30 seconds while you take their pulse, you’ll never get sued”

The Reality



- Fee for service reimbursement weighted heavily in favor of specialist procedures
- Coverage often exclude outpatient care - “Hospital” insurance
- Fragmented, disease-oriented care

Un médico cura, dos dudan, tres muerte segura

The Reality – A Solution?



“RISING HEALTH COSTS DEMAND A NEW Rx”

“It isn't every week that Business/Monday devotes practically all of its time and energy to a single subject, as we have today with our reporting on the thorny problems of health care in Florida. But the stunning way in which hospital and medical insurance costs have spiraled for all Floridians - the business community and individuals alike - compelled us to take an in-depth look and come up with some timely solutions before they put us in the poorhouse.”

Miami Herald - October 24, 1983

Medical Management The New Reality



- Payment often mirrored fee for service structure
 - RVUs
 - 3.2 patients per hour
- Capitation – decrease administrative burden and promote population-based approach
 - Risk sharing
 - “We’re not gate keepers, we’re tour guides”
Lynn Carmichael
 - What about other outcomes?
 - Quality
 - Satisfaction

Medical Management The New Reality



- Pay for performance – incorporation of quality into bonus programs
- Insurance reform promoting additional models – ACOs, bundled payment
- Payment and incentive methodologies are evolving



What Has the Alliance Done?

- Managed care model – more rational approach to care
 - Linking members to primary care providers
 - Promote preventive care and continuity
- Incentive programs
 - Current
 - Utilization
 - Quality based incentives or QBI
 - Transitioning to Care Based Incentives or CBI



CBI

- Alignment with PCMH structure and outcomes – the PCMH represents effective primary care
 - Focus on “practice”
 - Access
 - Preventive care
 - Chronic disease management
- In evolution – inherent limitations with measurements



Approaches to Support PCMH

- Pay for achieving “recognition” or accreditation status
 - Focus on structure and process
 - Dependent on achieving status
- Pay for performance
 - Outcome based
 - Funded by anticipated savings or at least demonstrated improvement in care
 - What is an appropriate outcome measure?



Thank You!

Questions?

