Patient-Centered Medical Homes: Where We Are and What We Know

Melinda Abrams
The Commonwealth Fund
mka@cmwf.org

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Fragmented Care, Weak Primary Care Foundation: Problem and Promise

Problem:

- Majority of Americans report difficulty obtaining timely access to care, poorly coordinated care and inefficient, disorganized care
  - Many Americans do not even have a primary care provider
- Longer working hours for lower wages frustrates providers
  - Consequently, fewer medical students are choosing to specialize in primary care, exacerbating patients’ perceived lack of access

Promise:

- Strong primary care is associated with better health outcomes, lower cost and greater equity
- Medical home is a strategy to strengthen primary care
- Patient-centered medical homes and complex care management teams are key to high-value accountable care systems
- Multi-payer (public-private) initiatives, if coordinated, have the potential to accelerate the spread of the medical home model
Confronting Costs: Savings in Primary Care

- Jan 2013 Commonwealth Fund report “Confronting Costs” proposes policy options that save up to $2 trillion over 10 years.

- Savings attributable to primary care policy options account for 25% of total savings.
  - No other policy options result in such a large reduction in costs.

- Medical home model is a prerequisite for delivery system reform and optimizing performance.

Distribution of 10-Year Impact on Spending from Combined Primary Care Payment Policies

Dollars in billions

<table>
<thead>
<tr>
<th>COST SAVINGS</th>
<th>Systemwide</th>
<th>Federal Gov't</th>
<th>State and Local Gov't</th>
<th>Private Payer</th>
<th>Households</th>
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<td>-$249.0</td>
<td>-$89.6</td>
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Source:
Substantial Momentum Underway:
Commercial Health Plans in 49 States Testing Medical Homes

Source: Patient Centered Primary Care Collaborative, updated October 2012.
29 State Medicaid Programs Making Medical Home Payments
19 States Involved in Multi-payer Pilots

Objectives of Today’s Briefing

• Review value of primary care, and role of medical homes in delivery system reform

• Review current evidence about the impact of patient-centered medical homes on cost and utilization

• Learn about the status of medical home demonstration projects by CMMI

• Hear about successes and challenges that primary care practices have encountered as they transition to medical homes