MedPAC Strongly Backs Medical Home Concept

BY ALICIA AULT
Associate Editor, Practice Trends

WASHINGTON — The concept of a medical home is one step closer to reality for Medicare patients, after it received strong backing from the Medicare Payment Advisory Commission at its April meeting.

All 17 commissioners present at the meeting voted to urge Congress to instruct the Centers for Medicare and Medicaid Services to develop a large pilot study of medical homes for Medicare beneficiaries. The recommendation will be included in MedPAC's June report to Congress.

Most of the commissioners also voted to adjust the Medicare fee schedule to increase payment for primary care, which MedPAC has deemed as undervalued at previous meetings.

The medical home concept has been advanced by the American College of Physicians, the American Academy of Family Physicians, and the American Academy of Pediatrics. A demonstration project is authorized under the Medicare program, but the commissioners said that a larger pilot with clear thresholds could accelerate the evaluation process, and could easily be discontinued or expanded.

The commissioners compiled a wish list of criteria for a medical home, including the ability to provide primary care, use information technology for clinical decision support, conduct care management, offer 24-hour communication with patients, maintain up-to-date records of patients' advance directives, and operate a formal quality improvement program. Also, beneficiaries should agree to adhere to medical home principles by respecting the idea that someone is in charge of coordinating their care, and communicating with the physician when they seek care elsewhere.

There was some debate over whether patients should be allowed to access other providers without a referral, which is permitted under current fee-for-service Medicare. Most commissioners wanted some restrictions, or at least a way to track when patients see specialists, to facilitate assessment of the program's success or failure.

The medical home would not be limited to primary care physicians; specialists likely would be able to fulfill criteria for participation, according to the commission's vision.

The program would cost $50 million to $250 million in the first year, and cost less than $1 billion over the first 5 years, MedPAC staffers estimated. The estimate included monthly fees to medical homes, but not anticipated savings, said MedPAC staffer Christine Boccuti.

Dr. Francis Jay Crosson, a commissioner and senior medical director of Permanente Federation in Oakland, called the proposal a "significant evolution" from what had been presented to the panel in 2007. "And I think it's a good evolution," he said.

"This is a very exciting recommendation," said Commissioner Jack Ebeler, a health policy consultant in Reston, Va. Promotion of the medical home approach is a direct way to reform the health care delivery system, he added.

Commissioners also said that the medical home recommendation dovetailed with MedPAC's support of increased pay for primary care services.

An adjustment to the fee schedule is "long overdue," said Dr. Ronald Castellanos, a commissioner and urologist in private practice in Ft. Myers, Fla. Increased pay might lure more residents into primary care, and help those currently practicing to stay in the workplace, he said.

The commissioners debated how the CMS could determine which physicians or other health providers—such as nurse practitioners—would receive the update. MedPAC staff presented the increase as budget neutral, which made some panelists uneasy.

Dr. Nicholas Wolter of the Billings (Mont.) Clinic, suggested that the increase be made without trying to maintain budget neutrality. Dr. Karen Borman, professor of surgery at the University of Mississippi, Jackson, expressed concern that rewarding primary care could end up hurting other physicians.

"I have some philosophical problems here," said Dr. Borman, adding that primary care was not always linked with a traditional primary care physician. She said that she often provided what would be considered primary care to her breast cancer patients. Dr. Borman ended up voting against the recommendation for increased pay for primary care. ■