Medical Home Payment Models to Be Tested

BY SHERRY BOSCHERT

EXPERT ANALYSIS FROM THE ANNUAL MEETING OF THE AMERICAN ACADEMY OF PEDIATRICS

SAN FRANCISCO – Beginning in January 2011, federal agencies will identify and test various models of paying for health services in a patient-centered medical home.

The Centers for Medicaid and Medicare Services is charged by the 2010 Affordable Care Act to test innovative payment and service delivery models to reduce program spending while promoting quality care. The health care reform act specifies that models of care be chosen based on their ability to improve the coordination, quality, and efficiency of services, Dr. Xavier Sevilla said at the meeting.

The patient-centered medical home is one of the models to be tested, and the challenge lies in figuring out payment methods that will enable physician practices to provide comprehensive primary care that is accessible, continuous, family centered, coordinated with other caregivers, compassionate, and culturally effective, he said.

"I don't think we're going to see the private payers move until CMS does," added Dr. Sevilla, chief of pediatrics for Manatee County Rural Health Services, Bradenton, Fla. He serves as the AAP's representative to the National Committee for Quality Assurance Advisory Panel on the Physician Practice Connections – Patient-Centered Medical Home.

Today, however, the most common "resolution kit" available to physicians trying to resolve payment issues for the different kinds of work they do in patient-centered medical homes is a homemade sign with a circle around the words "Bang head here," he joked. Current payment systems encourage quantity over quality and reward procedures over evaluation and management of patients, he said. Payments are made only for services administered by clinicians and cover only services performed in the office setting when the patient is present, which ignores care coordination and nonoffice communications with patients, such as e-mail.

The ideal payment system would incentivize care coordination and quality of care improvement. It would support the transformation of practices from individual to population-based care, from physician-provided to team-based care, and from episodic to continuous care, Dr. Sevilla said.

He described several payment proposals that could be tested in the demonstration programs, some of which already are underway in pilot projects.

One model retains existing fee-for-service contracts and adds a per-member-per-month case-management fee and pay-for-performance reimbursements using nationally validated quality measures of process and outcome. A Colorado-based pilot is testing this model in a Multistate Patient Centered Medical Home program.

This model could improve office efficiency and access, depending on the pay-for-performance measures, Dr. Sevilla said. The management fee supports nonoffice communications and nonphysician care, and allows the practice team to concentrate on the whole practice population. Fundamental practice changes are unlikely unless the management fee and payments for performance are large enough, he added. The management fee could allow small practices to join together to share costs. This payment model could be easy to implement, because it adds to the existing payment system.

Another model would keep the fee-for-service system but develop new CPT codes for medical home activities that currently are not reimbursed, such as phone and e-mail consultations, after-hours services, phone calls with specialists, and more. Currently, Blue Cross and Blue Shield of Michigan pays for practice-based care management, and Horizon Blue Cross and Blue Shield of New Jersey pays for phone calls to patients and specialists.

This model does not incentivize quality of care improvement or population-based care, and the new CPT codes would need to include tasks performed by nonphysicians to support a team approach. Many of the CPT codes needed for patient-centered medical homes exist, but are not recognized by most payers, including the CMS. Adding more codes to the 8,000-code CPT system would increase complexity, and costs may not decrease if the codes are overused, Dr. Sevilla said.

A third model would provide monthly comprehensive payments based on yearly per-patient risk-adjusted calculations of per-patient-per-month reimbursements. Practices would receive up to 25% risk-adjusted bonuses for achieving goals in quality, cost, and patient experience.

To make this work, we'd need a validated actuarial model that predicts a patient's need for primary care and that provides a relative risk based on demographics and billing diagnoses, he said. The guaranteed monthly payment would cover the multidisciplinary team, technological infrastructure, and non–face-to-face communications.

"This would require a major culture change by payers and physicians," Dr. Sevilla noted. Payers would need to make up-front investments and change their basis for payment. The Capital District Physicians Health Plan in Albany, N.Y., is trying this payment model, he added.

Pediatricians can help move the medical system toward patient-centered medical homes by advocating for payment methods that support the medical home, lobbying the AAP to prioritize research on the value of pediatricians, and participating in one of the demonstrations of new payment methods, said Dr. Sevilla, who noted that he had no conflicts of interest. ■

POLICY & PRACTICE

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Unhealthy Fast Food Meals Rule

Most children eat fast food at least once per week, and practically none of these meals meet nutrition criteria for calories, fat, sugar, and sodium content, according to a study from Yale University. The report examined 3,039 possible children's meal combinations at a dozen restaurant chains and found only 12 meals that met the criteria for preschoolers and 15 that met them for older children. Although it's possible to buy healthful side dishes and beverages as part of youngsters' meals at fast food restaurants, those options rarely are offered as the default choices, the researchers noted. The study found that 84% of parents had fed their children fast food from McDonald's, Burger King, Wendy's, or Subway in the past week.

Schools Offer Unhealthy Drinks

Despite efforts to limit students' access to sugary and high-fat beverages, almost half of the nation's public elementary students could buy sodas, sports drinks, and high-fat milk in schools during the 2008-2009 school year, a study showed. The Institute of Medicine recommends that schools provide access to only water, 100% juice, and 1% or nonfat milk, but few schools conform, the study found. Students also could buy unhealthful drinks in school stores, from vending machines, and along cafeteria lines. Although many schools had removed high-fat milk from their lunch programs, they sold it a la carte. In the South, where obesity rates are highest in the nation, more than 20% of public elementary school students could purchase sugar-sweetened drinks, the study found.

Mental Health Funding Awarded

The Substance Abuse and Mental Health Services Administration has awarded more than $19 million to six organizations to prevent mental, emotional, and behavioral disorders in young children and promote health. The grants through Project LAUNCH (Linking Actions for Unmet Needs in Children) will fund efforts such as integrating behavioral health and primary care, family-strengthening programs, parenting-skills training, and public education on healthy child development. The six organizations are based in Colorado, Connecticut, Missouri, New York, Oregon, and Texas.

New Tobacco Warnings Required

Cigarette manufacturers would be forced to cover large swaths of their packaging with bold warnings and graphic images showing the health consequences of smoking in a strategy unveiled by the Department of Health and Human Services. Potential images include a photo of a corpse with a toe tag, a man smoking through a hole in his throat, and side-by-side photographs of diseased and healthy lungs. The new warnings include "Cigarettes can harm your children," "Smoking During Pregnancy Can Harm Your Baby," and "Smoking Can Kill You." The public can comment on the proposed images and warnings through Jan. 9, 2011. By next June, the Food and Drug Administration will select nine images and accompanying warnings, and cigarette manufacturers will need to include them on all packages by October 2012.

Study: Kids Stress With Parents

Parents underestimate how much stress their children experience, according to a survey from the American Psychological Association. Children as young as 8 reported that they experience physical and emotional symptoms often associated with stress. According to the survey, one-third of parents say their stress levels are extreme. Children who say their parents are always stressed were more likely to report stress themselves. Many teens and tweens reported feeling sad, worried, or frustrated when their parents are stressed. "It's critical that parents communicate with their children about how to identify stress triggers and manage stress in healthy ways while they're young and still developing behavioral patterns," psychologist Katherine Nordal, Ph.D., the association's executive director for professional practice, said in a statement.

FDA Warns on Beverages

A maker of one of the now-notorious, high-potency, caffeine-and-alcohol drinks said it would remove the stimulant from its product as the Food and Drug Administration warned other makers that they must do the same or face action such as seizure of their products. The FDA cautioned Charge Beverages Corp., New Century Brewing Co. LLC, Phusion Projects LLC, and United Brands Company Inc. that the caffeine represents an "unsafe food additive" that can mask sensory cues individuals normally rely on to determine their level of intoxication. The result can be risky behaviors and life-threatening situations, the agency said. Phusion Projects, which makes the drink Four Loko, announced the day before the FDA warning that it would remove caffeine and two other stimulants, taurine and guarana, from its beverages. Wake Forest University's Dr. Mary Claire O'Brien, who has researched caffeinated alcoholic products, said that they allow drinkers to stay awake to drink more, "well beyond the amount they would otherwise be able to tolerate if they were only drinking alcohol."

–Jane Anderson