MedPAC initiatives
promoting primary care

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June 27, 2008
Importance of primary care

- Research suggests that increasing the use of primary care services and reducing reliance on specialty care can improve the quality, efficiency, and coordination of health care delivery.
  - Kravet et al. 2008; Fisher et al., 2003; Baicker and Chandra 2004; Starfield and Shi 2002

- Yet, primary care services are undervalued and at risk of being underprovided.
  - Passive devaluation of E&M
  - Beneficiaries access issues for primary care providers
  - Trend for physician subspecialization
MedPAC work on promoting primary care in Medicare

3 initiatives:

- **Services** — 5-year review process improvements (March 2006)

- **Practitioners and services** — fee schedule adjustment (June 2008)

- **Care coordination** — medical home programs (June 2008)
1st initiative: Improving the RVU review process

- Undervalued services far more likely to be submitted for review
- Services that are not reviewed assumed to be accurate
- Results in some services remaining overvalued over time

Source: AMA, RVS update process, 2006
MedPAC recommendations for improving the RVU review process (March 2006)

- Reduce reliance on specialty societies and establish a standing panel of experts

- Change the process
  - analyze Medicare data (e.g. volume)
  - institute automatic reviews of selected new services
  - review all services periodically
2nd initiative: Fee schedule adjustment to promote primary care

- MedPAC Recommendation (June 2008): Increase payments for subset of E&M services provided by practitioners who focus on primary care
- Budget neutral
- Major departure from current structure of the fee schedule
- Level of the adjustment
  - Judgment required
  - Precedents: HPSA and scarcity bonuses
Two options for targeting the adjustment

- **Option 1:**
  Primary care specialty designation
  - AND -
  Claims pattern shows focus on primary care services

- **Option 2:**
  Claims pattern shows focus on primary care services (only)
3rd initiative: Medical home pilot

- General goals of medical home programs
  - Increase care coordination, particularly for people with multiple conditions
  - Improve efficiency of resource use
  - Enhance primary care practice and access
MedPAC recommendation: Medical home pilot (June 2008)

Eligible medical homes must meet stringent criteria, including at least the following:

- furnish primary care (including coordinating appropriate preventive, maintenance, and acute health services),
- conduct care management,
- use health information technology for active clinical decision support,
- have a formal quality improvement program,
- maintain 24-hour patient communication and rapid access,
- keep up-to-date records of beneficiaries’ advance directives, and
- maintain a written understanding with each beneficiary designating the provider as a medical home.

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MedPAC recommendation: Medical home pilot (June 2008)

Additional pilot requirements:

- Medicare should provide medical homes with timely data on patient utilization.
- The pilot should require a physician pay-for-performance program
  - Quality and efficiency goals
- The pilot must have clear and explicit thresholds for determining whether it can be expanded into the full Medicare program, or discontinued.
Payment to medical homes

- Monthly payments per beneficiary to support medical home infrastructure and activities
  - No beneficiary cost sharing for medical home fees
  - Medical home can continue to bill for Part B services
Beneficiary issues

- **Initial target population**: Beneficiaries with at least two qualifying chronic conditions

- **Beneficiary voluntarily selects a single medical home**
  - Signs document of medical home principles, including:
    - Medical home is source for comprehensive, continuous care and resource for helping patients and families navigate through the health system to select optimal treatments and providers.
    - Beneficiaries should notify medical homes of service use outside of medical home.
    - Patients would continue to be able to see specialists without a referral from the medical home.
Potential future work: workforce issues

- Non-physician practitioners
- Medical training (GME/IME) policies could encourage:
  - Residency positions in selected specialties
  - Care in certain non-hospital settings, such as nursing homes and geriatric practices
  - Specified curricula content, such as quality measurement and information technology use
- Student loan payments for targeted specialties
- Medical community service