



November 2010

Medical home demonstration project

On November 16, CMS announced that **eight** states will participate in the Medical Home demonstration, beginning mid-year 2011.

- **Maine**
- **Vermont**
- **Rhode Island**
- **New York**
- **Pennsylvania**
- **North Carolina**
- **Michigan**
- **Minnesota**

Providers in these states will set up 1,200 medical homes serving up to one million Medicare beneficiaries. To qualify, these states had to have a state agency responsible for implementing the program, be ready to make payments to participating practices six months after being selected for participation, and have mechanisms in place to connect patients to community-based resources.

Medical homes, called "Multi-payer Advanced Primary Care Practices" are an initiative in which Medicare will join Medicaid and private insurers to encourage providers to use a team approach and emphasize prevention, health information technology, care coordination and shared decision making. The program will pay providers a monthly, per-beneficiary care management fee to cover care coordination services, improved access, patient education and other services to support chronically ill patients.

Eligibility to participate in this demonstration will be determined by each state. Generally, medical homes can be led by physician practices or nurse-practitioner led groups. Community-based medical homes can be operated by nonprofit community or state-based organizations. In some states FQHCs and hospital-owned practices will be participating as well as independent practices. Generally, eligible physicians can be family practice, internal medicine, geriatrics, general practice, specialty and sub-specialty practices.

Eligible beneficiaries will be in fee-for-service Medicare and be "high need" patients, including those with prolonged or chronic illnesses that require regular medical monitoring, advising, or treatment. Patients in Medicare Advantage plans, hospice, or ESRD will be excluded. Beneficiaries will be informed that their provider is in a medical home but not required to enroll in program.

To qualify, a medical home will have care coordination capabilities, such as:

- Uses health assessment plan
- Uses integrated care plan
- Tracks tests and provider follow-up
- Reviews all medications
- Tracks referrals

For more information, visit www.strategichealthcare.net, or contact Sharon Bee Cheng, at Strategic Health Care, at 202-266-2615 or sharon.cheng@shcare.net.

Medical homes may also be required to have electronic medical records, coordination of care including follow-up of inpatient and outpatient care, be capable of reporting measures of performance as a medical home, and have physicians also engaged in quality reporting. "Tier 1" homes will have less sophisticated care coordination tools. "Tier 2" homes will be meaningful users of EMR, have enhanced patient follow-up procedures, and be required to report a more robust set of quality measures.

The current demonstration was developed upon an earlier, cancelled version of the same demonstration. Though states have not yet released many details of their programs, the previous version would have paid management fees based on the relative sophistication of the medical home and the complexity of the patient. Patient complexity would be based on their age, sex, and principal diagnoses of patient, rolled-up into a single score called the "HCC score." A higher HCC score implies more medical complexity. For example, a less-sophisticated medical home caring for a less-complex patient would be paid about \$27.

Proposed Care Management Fees in [Previous Demonstration Design](#)

Per Patient/ Per Month Payment, Overall, and by Patient HCC Score Medical Home Tier	Average Per Member Per Month Payments	Patients with HCC Score <1.6	Patients with HCC Score ≥1.6
Tier 1	\$40.40	\$27.12	\$80.25
Tier 2	\$51.70	\$35.48	\$100.35

The contacts below can provide more information about the medical home demonstration in the eight selected states.

State	Name	Title	Phone
Maine	Alexander Dragatsi	Program Coordinator, Maine Quality Forum, Dirigo Health Agency	(207) 287-9965
Michigan	Carol Callaghan	Director, Division of Chronic Disease & Injury Control, State of MI Dept. of Community Health	(517) 335-8368
Minnesota	Ross Owen	Health Services & Medical Management, MN Dept. of Human Services	(651) 431-4228
New York	Foster Gesten, MD	Medical Director, NY Dept. of Health	(518) 486-6865
North Carolina	Chris Collins	Director, Community Care, Office of Rural Health/Community Care	(919) 855-4788
Pennsylvania	Ann Torregrossa	Director, Governor's Office of Healthcare Reform	(717) 772-9065
Rhode Island	Tricia Leddy	Senior Policy Advisor, Office of the Director, RI Dept. of Health	(401) 222-1013
Vermont	Craig Jones, MD	Director, Vermont Blueprint for Health	(802) 879-5988

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