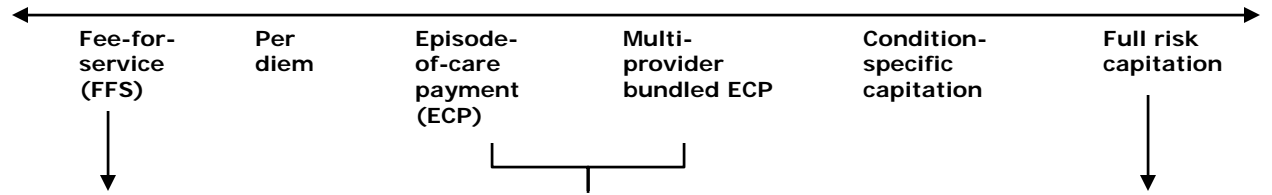
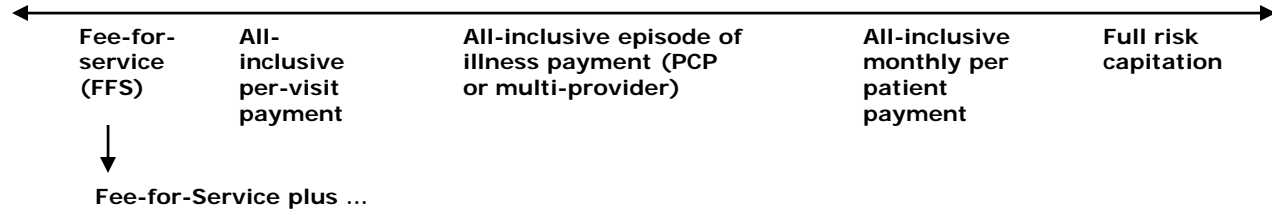


Medical Home Reimbursement Project Sample Payment Continuums in Support of Medical Home Transformation

Miller: Continuum of Health Care Payment Methods



Dowling: Continuum of Medical Home Payment Methods



<ul style="list-style-type: none"> • Potential bonus for efficiency & quality • Increased payment for designated services • New billing codes for care coordination & medical home services • Additional monthly care coordination payment <p>Dowling, W., University of Washington, Rural Health Steering Committee, AWP/PHD, 2008 [confirm source]</p>	<ul style="list-style-type: none"> • Additional lump sum payments • Higher payment levels • Discrete new codes • Pmpm fee (alone or with P4P) <p>Pmpm = per member per mo. P4P = pay-for-performance</p> <p>Bailit, M. Presentation to Medical Home Summit, <i>National Academy for State Health Policy</i>. July 24-25, 2008</p>	<ul style="list-style-type: none"> • Bonus or tiered bonus • Performance-based fee schedule • Compensation-at-risk • Pay-for-process • Pay-for-participation • Quality grant • Member variable cost-sharing <p>LLanos, K. et al. "Physician Pay-for-Performance in Medicaid: A Guide for States." <i>Center for Health Care Strategies</i>, Mar 2007 (also gives non-financial incentives)</p>
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See attached slides for additional detail / examples of these "add-ons" to the current FFS system

Sources: See boxes above as well as Miller, H.D., "Creating Payment Systems to Accelerate Value-Driven Health Care: Issues and Options for Policy Reform." *The Commonwealth Fund*, September 2007. (Additional information on strategies in working paper notes on Sample Payment Proposals & State Activities.)

**Medical Home Reimbursement Project
Additional Detail Regarding Fee-for-Service Boxes**

	Source: Dowling	Source: Bailit	Source: Llanos, et al
Lump Sum	<p>Potential bonus for efficiency & quality =</p> <p>Potential bonus payment for achieving cost savings from better care management and meeting quality targets</p>	<p>Additional lump sum payments =</p> <p>PA Chronic Care Initiative: 6 insurers pay periodic lump sum payments to qualifying practices per clinician FTE based on documented level of NCQA PPC-PCMH achievement</p>	<p>Bonus or Tiered Bonus =</p> <ul style="list-style-type: none"> • Bonus or tiered bonus for achieving a <i>predetermined threshold</i> (e.g., PCP receives bonus if 80% or more of adult patients receive a clinically accepted measure of care, and a larger bonus if 90% or more of adult patients receive the recommended care) • Bonus or tiered bonus based on <i>comparative ranking</i> (e.g., PCP receives bonus payment if ranked in top 50% of PCPs for a given measure, and a larger bonus payment if ranked in the top 25% of PCPs) • Bonus for demonstration & maintenance of <i>improvement</i> (e.g., PCP receives bonus payment if demonstrates a statistically significant increase in % of adult patients receiving recommended care; PCPs with rates over 90% receive the bonus as well to recognize difficulty in improving beyond that level) <p>Pay-for-process =</p> <p>PCP receives fixed dollar amount (e.g., \$10) every time a patient receives a pre-determined service (e.g., biannual mammogram) or for every telephone call reminder to a patient regarding a pre-determined service</p>
Higher Fee Schedule Payment	<p>Increased payment for designated services =</p> <p>Increased payment levels for designated billing codes for services associated with improved quality & efficiency, e.g., EPSDT, immunizations, well-child care, dental services, after-hours care</p>	<p>Higher payment levels =</p> <ul style="list-style-type: none"> • Pay enhanced rates to qualifying practices for office-based E&M, consultations, preventive medicine, & counseling codes (BCBSVT) • Pay 10% higher E&M code rates to qualifying practices (BCBSMI in 2009) 	<p>Performance-based fee schedule =</p> <p>PCP paid X% over usual fee schedule (e.g., 105%) if strong performance on several performance metrics distinguishes the PCP from other PCPs</p> <p>Compensation at-risk =</p> <p>PCP forfeits a fee schedule increase unless s/he achieves the statewide mean on several identified performance metrics</p>

**Medical Home Reimbursement Project
Additional Detail Regarding Fee-for-Service Boxes**

	Source: Dowling	Source: Bailit	Source: Llanos, et al
New Code Payments	<p>New billing codes for care coordination & medical home services =</p> <p>New billing codes added for services for which the medical home accepts responsibility that are not included in current fee schedules, e.g., time spent in coordinating referrals to specialists, follow-up after referral, chronic disease management, conferences with family caregivers, etc.</p>	<p>Discrete new codes =</p> <ul style="list-style-type: none"> •Pay T-codes for practice-based care management (BCBSMI) •Pay for traditionally non-reimbursed care management services (BCBSNJ) 	
Monthly Payments	<p>Additional monthly care coordination payment =</p> <p>Additional monthly (risk-adjusted) care coordination/care management payment for each patient signed up with the PCP in recognition of physician time/work that falls outside of the face-to-face visit.</p>	<p>PMPM fee =</p> <ul style="list-style-type: none"> •Pmpm payment to PCP & separate pmpm payment to regional PCP network for care management & pharmaceutical consultation (Community Care of NC) •Pmpm payment for enrolled chronically ill adults (Connect Care Choice (RI)) •Pmpm based on level of achievement against NCQA PPC-PCMH standards <p>PMPM fee + P4P (model endorsed by the PCPCC) =</p> <ul style="list-style-type: none"> •Enhanced pmpm payment for PCMH structural measures & for performance on 10 HEDIS measures (THINC RHIO) •PMPM care management payment plus P4P (Emblem Health) 	

**Medical Home Reimbursement Project
Additional Detail Regarding Fee-for-Service Boxes**

	Source: Dowling	Source: Bailit	Source: Llanos, et al
Other FFS Payment Add-ons			<p>Pay-for-participation = PCP is reimbursed for time spent on quality improvement activities (e.g., attending a state-sponsored quality improvement collaborative or attending meetings to review performance profiling results & developing improvement action plans in response)</p> <p>Quality grant = Opportunity to apply for a state offered grant to implement tracking, reporting, technology, etc. improvements (e.g., patient registry system to track patients for receipt of recommended care)</p> <p>Member variable cost sharing = Member pays no co-pay on specific service(s) received from a high-performing PCP (i.e., from a PCP whose strong performance on several performance metrics distinguishes him/her from other PCPs)</p>