

# 2011 Military Health System Conference

## Purchased Care Sector Medical Homes

Impact, Challenges, and Way Forward Implementing PCMH “Downtown”

*The Quadruple Aim: Working Together, Achieving Success*

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Tricare Management Activity

## Report Documentation Page

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# Questions to be addressed



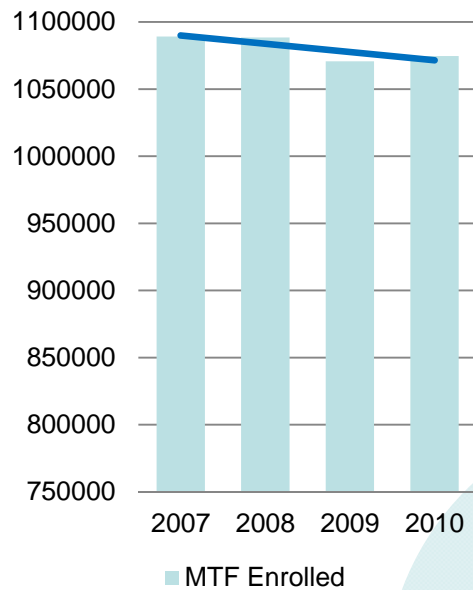
- What is a TRO?
- How is PCMH implementation outside of MHS done?
- Why does Tricare care about PCMH?
- What are we doing now?
- What is needed for greater PCMH availability to network enrollees?

# What is the TRO? Why do we exist?

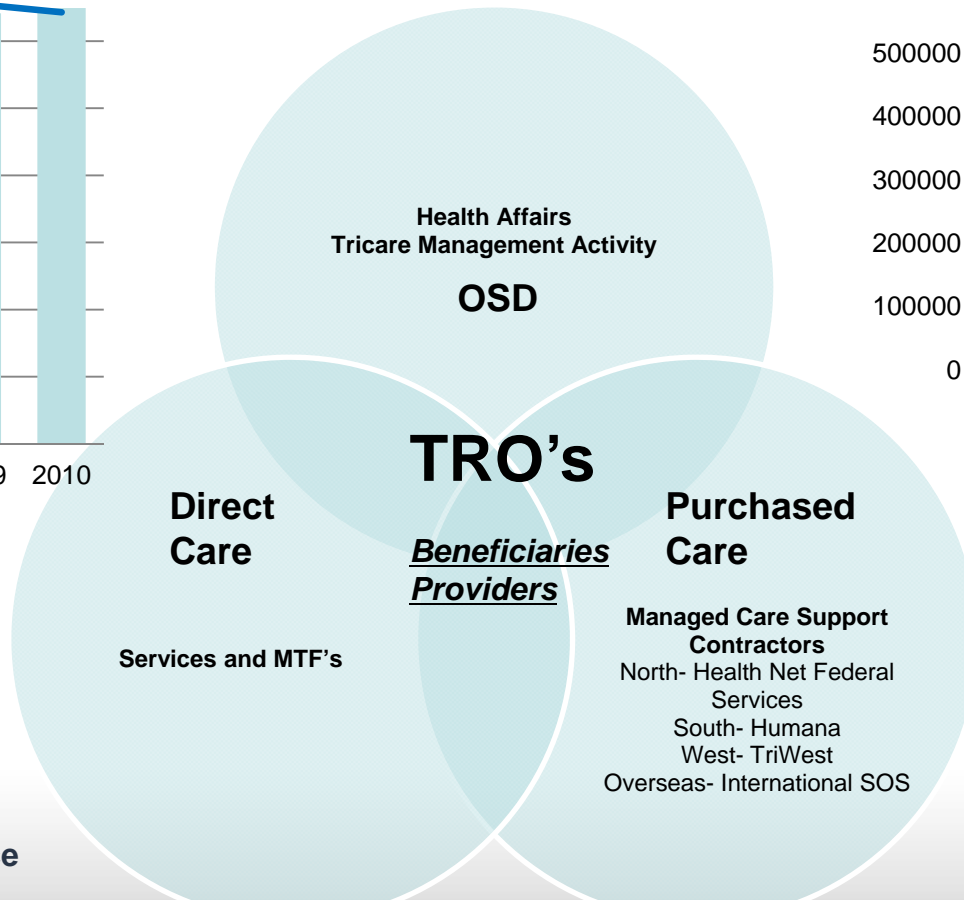
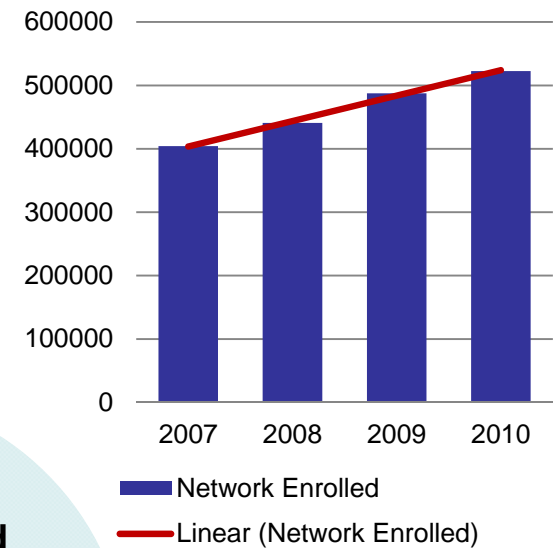


A day in the life of MHS: 9.6 beneficiaries and growing

**MTF Enrolled**



**Network Enrolled**



# Life of PCMH in US Civilian Sector



- Conception 1967
- Birth 2003-2004
- Growing Child 2006-2009
  - Private Payer Initiatives (27)
- Maturing Teen 2010-
  - CMS pilots (8)
- Adult future
  - Accountable Care Organizations

Patient  
Centered  
Primary Care  
Collaborative-  
“Nurturing  
Parent”!

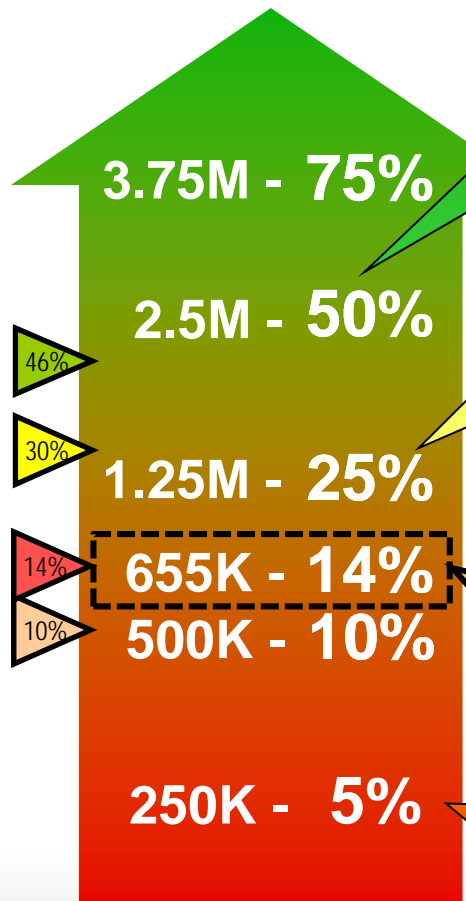
PMCH penetration in Tricare Network - reflective of greater US

# Correlating Growth in PCMH Enrollment to Quadruple Aim Performance



**Expected Performance from PCMH** **X** **% of Enrollees Getting Care from PCMH** **=** **Overall Impact on Quadruple Aim**

Current Perf	Measure	Expected Improvement
R	IMR	↑ TBD
G	HEDIS – Preventive	↑ 7%
G	HEDIS – Evidence Based Guidelines	↑ 4%
Y	Beneficiary Satisfaction	↑ 10%
Y	Time to Next Available Appt	↑ 15%
R	Getting Timely Care	↑ 14%
Y	PCM Continuity	↑ 16%
R	PMPM	↓ TBD
R	ER Utilization	↓ 15



Beneficiary Satisfaction: 59% → 64% (62%) **G**  
 Getting Timely Care: 74% → 81% (78%) **G**  
 PCM Continuity: 45% → 53% (60%) **Y**  
 ER Utilization: 45/100 → 37/100 (30) **G**

Beneficiary Satisfaction: 59% → 62% (62%) **Y**  
 Getting Timely Care: 74% → 78% (78%) **G**  
 PCM Continuity: 45% → 49% (60%) **Y**  
 ER Utilization: 45/100 → 41/100 (30) **Y**

Beneficiary Satisfaction: 59% → 60% (62%) **Y**  
 Getting Timely Care: 74% → 76% (78%) **Y**  
 PCM Continuity: 45% → 47% (60%) **Y**  
 ER Utilization: 45/100 → 43/100 (30) **R**

Beneficiary Satisfaction: 59% → 59% (62%) **Y**  
 Getting Timely Care: 74% → 75% (78%) **R**  
 PCM Continuity: 45% → 46% (60%) **Y**  
 ER Utilization: 45/100 → 44/100 (30) **R**

Current Performance with 14% Enrolled in PCMH

60%	↑
77%	↑
42%	↓
45	--

# Challenges to Network Penetration



- Practice/Provider Factors
  - Start up Investment (time & \$) significant
    - NCQA accreditation
    - IT systems
    - Process Improvement Projects
  - Incentive (cost/benefit)
- Systematic/Policy
  - Lack of agreement on pilot evaluation methods
  - Lack/Misaligned incentives
    - Reimbursements
    - Performance reward

# Challenges to Network Penetration



- Market:
  - Network Characteristics: Broad vs Narrow, Geographies (nationwide vs regional)
  - Tricare empanelment percentage
    - Maryland: range 0-433 patients/practice, avg. 2-5%
  - Variable Med Home Definition
  - General PCMH prevalence in community
- Population
  - Transient
    - Example: Maryland Avg. = 0.3-2.8 yrs
    - Choice of PCM as compared to MTF
    - Transfers and Moves



# US Civilian PCMH – North Example



- Pilots: 16 across 23 states
  - Q: Does PCMH deliver better outcomes? Which Outcomes?
    - Insurance based (15) No multi-state
    - Multi-stakeholder (8) No multi-insurer projects
- Tested Payment Methodologies
  - “Prospective Care Management fee” (PMPM payment)
  - Technology Grants Variable Combinations
  - Outcome Rewards
  - T-codes Care Coordination fees
  - Service fee plus up

# PCMH in TRO-North



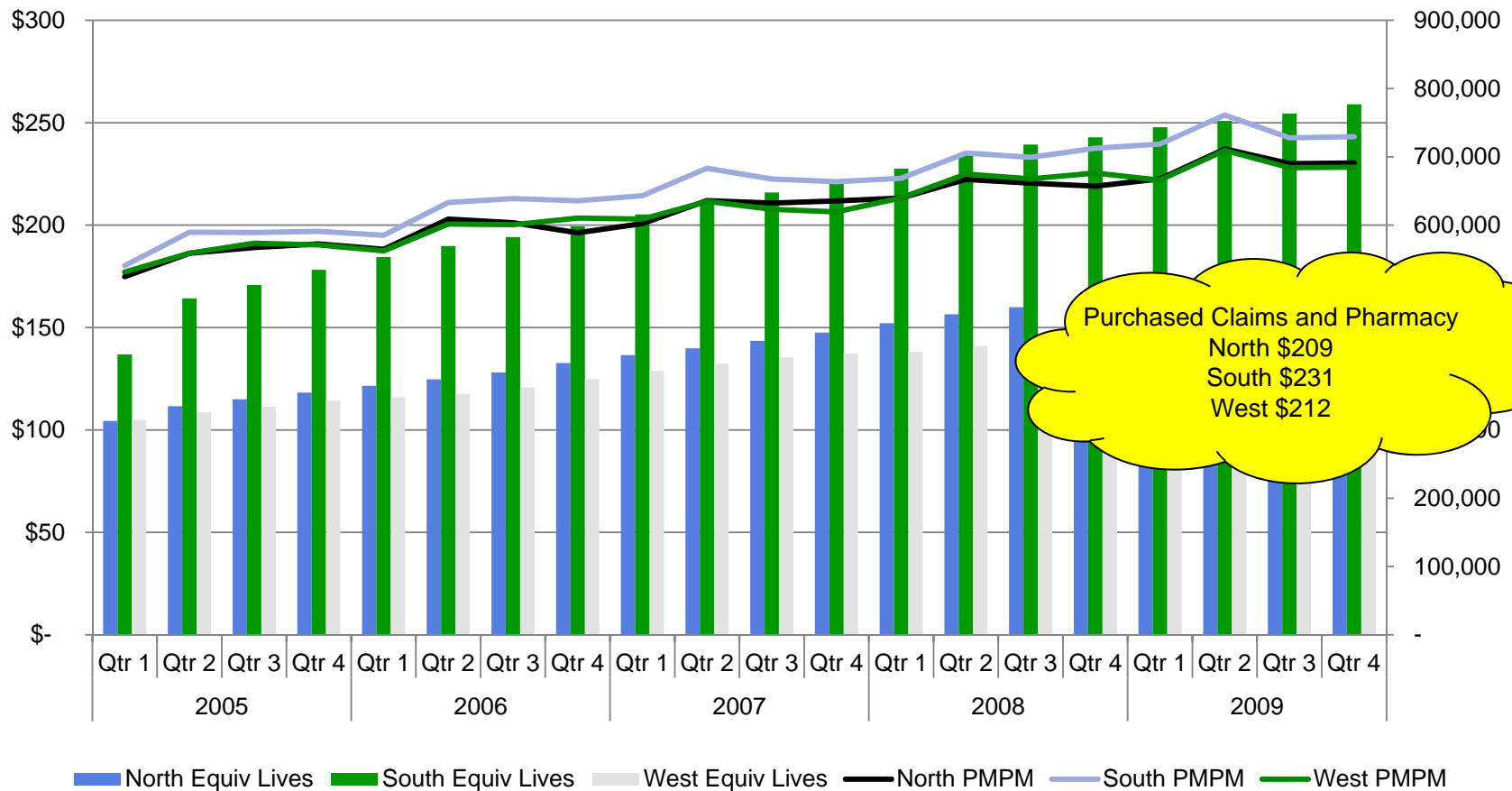
	North region Snapshot Oct 2010
Total eligible	~3.1 million
Total enrollee	~1.5 million
Total unenrolled (Standard)	~2.6 million
Network Enrolled	522,335
PCMH Enrolled	18,521
Total Providers	155,324
PCMH providers	1726

- Current State
  - 33 total practice Tricare network PCMH sites
  - Tricare PMPM ~ \$210
  - 3.5% network PCMH penetration
- Some pilot results so far demonstrate (1-4 year f/u)
  - Cost reductions: 2-7% PMPM
  - Cost avoidance- blunted rises

# PCMH Impact



## Overall PMPM reduction plus rise decrease



# TRO Medical Home Efforts



## TRO FY11 PERFORMANCE PLANS

### MARYLAND HEALTHCARE COALITION- TRO- North

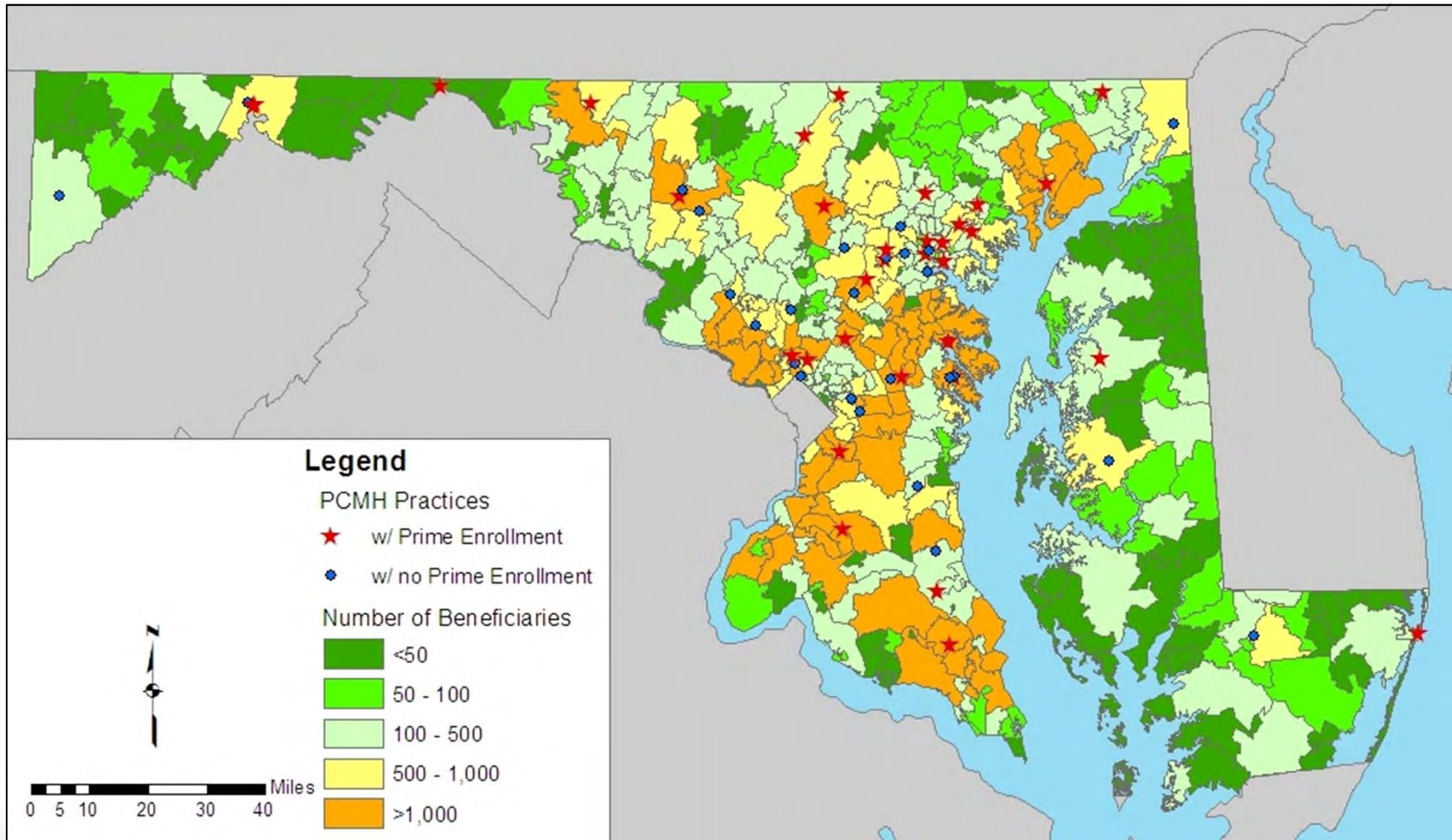
- Maryland state unique payer reporting requirements for all payers → Accurate Accounting of HC costs
  - FY09 Maryland Reports \$76.5 Million for 94,200 Beneficiaries
    - → \$812/member
    - → approximately \$67.66 PMPM
- MHCC Goals: Practice Transformation!

# MHCC Demo Project (cont'd)



- Methodology:
  - \$300K state funded seed for Process Improvement/Lean & IT support
  - Combines semi annual capitated care coordination fee + pay for services for primary care. (\$3.90- \$9.62/pt/mo.)
  - Incentivizes practices with portion of cost savings yearly based on Auto-benchmarks
  - Projected Duration: 4 years, start moved from 4/1/11 to 7/1/11
- Leverages payer power! All major payers in MD participating to achieve practice penetration of >50%.
- 50→ now 60 Practices, 200 PCM's, 200K patients statewide all payers
  - 4818 Tricare Benes -data on Tricare Prime and Standard breakout to these practices pending
- Demo application in progress , expect to be completed by mid Jan

# Maryland Tricare Eligibles MD Pilot Sites & Enrollee locations



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# Way Forward



- Strategic- MHS level (2 prong approach)
  - Collaboration with Civilian Change Agents
  - Realign Incentives and Reimbursements
  - Establish evaluation plan
- Operational
  - Contract Revision
  - Policy Revision
- Tactical
  - Provider- tools and incentives for PCMH
  - Patient tools making easier to access PCMH
  - Enterprise- Communications plan promoting PCMH to Enrolled and Standard Beneficiaries