BCBSM: A Payer’s Perspective on the Patient Centered Medical Home

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BCBSM Partnering for Value Philosophy

1. Design and execute programs in a *customized and collaborative* manner rather than using a one-size-fits-all approach.

2. Recognize and reward performance of *physician organizations*, not only individual physicians.

3. Reward *improvement*, not just highest performance, to create meaningful incentives for all physician organizations.

4. Focus on investments in *long-term changes in care processes*.

5. Encourage *collaboration* among participants.

6. Focus on *population-based* cost measures, rather than per-episode cost, to avoid stimulating overuse.
Paying for Value

*Tiered fees for population-based performance*

**Current Fee Structure**

- Payment driven by volume
- PCP has limited role
- PCP and facilities have separate focus and goals
- Members have free reign to see any contracted provider
- Variation in practice patterns across BCBSM network
- No population-wide incentives

**Future Value-based Model**

- Tiered fees based on population performance
- Strengthened role of primary care
- Create shared goals between PCPs/facilities
- Reward investment and process improvements
- Measure & share population-based performance with providers

VALUE Partnerships

*Improving Health Care in Michigan*
**PGIP: Catalyzing Health System Transformation in Partnership with Providers**

- **PGIP** (Chronic Care Model)
  - Transform care processes to effectively manage chronic conditions
  - Build registry and reporting capabilities to manage populations of patients
  - Achieve savings in specified areas
  - Reward physicians for improved performance and efficiency
  - Share savings

- **PCMH** (Primary care transformation)
  - Build PCMH infrastructure
  - Strengthen doctor-patient relationship
  - Support PCPs and their team’s ability to effectively manage care
  - Coordinate care across the continuum for a defined patient population
  - Establish linkages with community services

- **OSCs** (Organized Systems of Care)
  - Support establishment of systems of care that assume responsibility and accountability for managing a defined population of patients across all locations of care

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**Lowering cost and increasing value of healthcare services**

- Expand PGIP to include specialists involved in chronic care
- Implement PCMH and quality/use initiatives
- Continue to increase number of initiatives
- Continue to add new specialties to PGIP
- Extend provider-delivered care management with links to BCBSM for customer reporting statewide
Physician Group Incentive Programs (PGIP)

- PCMH Initiatives
- Performance Based Initiatives
- Professional CQIs
- Process Improvement
What is the Patient Centered Medical Home (PCMH)?

- PCMH Designation Program recognizes PGIP practice units and their affiliated primary care providers (PCPs) that have made significant progress in developing PCMH functionality.
- 12 domains of function.
- Practice units (PUs) are evaluated annually and designated for a 12-month period.
- PCPs affiliated with designated PUs receive a percentage increase for certain evaluation and management codes and other specified procedure codes.
- These practice units can be eligible to participate in MiPCT (Michigan Primary Care Transformation) program.
The 12 PCMH Domains of Function

1. Patient-Provider Partnership
2. Patient Registry
3. Performance Reporting
4. Individual Care Management
5. Extended Access
6. Test Tracking
7. Preventive Services
8. Linkage to Community Services
9. Self-Management Support
10. Patient Web Portal
11. Coordination of Care
12. Specialist Referral Process
Metrics for PCMH Designation

Quality Metrics:
• Evidence Based Care - i.e. HEDIS, MQIC BCBSM quality measures including preventive services (adult, pediatric)

Utilization Metrics:
• Primary care sensitive emergency department use rate (adult, pediatric) per 1000
• High- and low-tech radiology use rates (adult, pediatric) per 1000

Efficiency:
• Generic dispensing rate (GDR) performance and improvement
• The number of generic 30-day supply fills among a practice unit’s attributed population / total 30-day supply Rx fills
• Includes drugs prescribed by non-attributed physician
PCMH Primary Care Fee Uplift

- PCMH E&M uplift refers to the increase in the allowed amount paid on the provider reimbursement voucher
- 10% fee uplift for PCPs within designated PUs
- 20% uplift for PCPs within designated high-performing PUs who exceed our cost benchmark
- May not be on corrective action in January of the designation year
Organized Systems of Care: The Next Level

- OSCs will build upon the success of PGIP and PCMH by acting as a catalyst for establishing systems of care that coordinate delivery of health care services across the continuum, and are accountable for the management of a defined patient population.
- OSCs are organizations comprised of patients with a care relationship with PCPs.
- Rely on PCMH-designated practices implementing “all patient” registries, processes for data management, and linkage to data sources to support a proactive process of care.
Website Information

• BCBSM Value Partnerships website
  http://www.valuepartnerships.com/
• Main PGIP section of BCBSM site:
  www.bcbsm.com/provider/value_partnerships/pgip/index.shtml
• PGIP Initiative Fact Sheets:
  www.bcbsm.com/provider/value_partnerships/pgip/initiatives.shtml
• PCMH Initiatives:
  www.bcbsm.com/provider/value_partnerships/pgip/medical_home.shtml
• PGIP Matters e-Newsletter:
  www.bcbsm.com/provider/publications/index.shtml