JIM FOODY, MD

Principles and Concepts of the PCMH

WHAT IS WRONG?

• Poor access to care, especially for the uninsured
• Escalating costs & volume of services
• No link between cost and quality
• Excessive administrative costs
• Dysfunctional payment system
• United States is lagging internationally
• Impending “collapse” of primary care

Adapted from Michael Barr
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GROWTH IN MEDICARE EXPENDITURES
1970-2015

Dollars in billions

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Source: The Commonwealth Fund; Data from 2006 Medicare Trustees' Report.
## COMPARING SELECT HEALTH INDICATORS

<table>
<thead>
<tr>
<th>Indicator</th>
<th>USA</th>
<th>OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health care expenditures (per capita)</td>
<td>$6401</td>
<td>$2560</td>
</tr>
<tr>
<td>Infant mortality (per 100 live births)</td>
<td>6.8</td>
<td>5.4</td>
</tr>
<tr>
<td>Life expectancy at 65</td>
<td>20.0</td>
<td>19.5</td>
</tr>
<tr>
<td>Pharmaceutical spending (per capita)</td>
<td>$752</td>
<td>$363</td>
</tr>
<tr>
<td>Coronary revascularization (per 100,000)</td>
<td>579</td>
<td>245</td>
</tr>
</tbody>
</table>

Adapted from Emanuel, E. J. et al. JAMA 2008;299:2789-2791.

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ADMINISTRATION

- Underwriting
- Risk Adjustment
- Paperwork
- Billing and Collecting
- Claims Management and Denials
- Multiplicity of Incompatible Systems

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### MEDIAN PRETAX COMPENSATION
#### SELECTED SPECIALTIES

<table>
<thead>
<tr>
<th>Specialty</th>
<th>2004</th>
<th>10 year change 1995-2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIM</td>
<td>$168,551</td>
<td>21.0%</td>
</tr>
<tr>
<td>Invasive Cardiology</td>
<td>$427,815</td>
<td>26.9%</td>
</tr>
<tr>
<td>GI</td>
<td>$368,733</td>
<td>75.7%</td>
</tr>
<tr>
<td>Hematology/Oncology</td>
<td>$350,920</td>
<td>85.8%</td>
</tr>
<tr>
<td>Dermatology</td>
<td>$308,855</td>
<td>74.5%</td>
</tr>
<tr>
<td>Orthopedic Surgery</td>
<td>$396,650</td>
<td>31.4%</td>
</tr>
<tr>
<td>Radiology</td>
<td>$406,852</td>
<td>64.4%</td>
</tr>
<tr>
<td>Urology</td>
<td>$335,731</td>
<td>57.5%</td>
</tr>
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PHYSICIAN SERVICES SPENDING PER CAPITA

Source: The Commonwealth Fund, calculated from OECD Health Data 2006.

PRIMARY CARE SCORE VS. HEALTH CARE EXPENDITURES, 1997

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Proportions of Internal Medicine Residents Choosing to Work as General Internists, Subspecialists, or Hospitalists, 1998-2007

WHAT DO WE NEED?

• Superb access to care
• Patient engagement in care
• Clinical IT to support
  – High-quality care and quality improvement
  – Practice-based learning,
• Care coordination
• Integrated, comprehensive care
• Ongoing, routine patient feedback to a practice
• Publicly available information on practices

Adapted from Davis K, Shoenbaum S, Audet AM: A 2020 Vision of Patient-Centered Primary Care
JGIM 2005

WHAT HAS NOT WORKED SO FAR?

✓ Primary Care / Gatekeeper
✓ Precertification
✓ Event-based payment
✓ Relative value payment (RVU)
✓ Cost shifting uninsured
✓ Expanding / Contracting Physician Workforce
Stupidity

doing the same thing and expecting different results

THE JOINT PRINCIPLES OF THE PATIENT-CENTERED MEDICAL HOME

✓ Personal physician
✓ Physician directed medical practice
✓ Whole person orientation
✓ Care is coordinated
✓ Quality and safety
✓ Enhanced access to care
✓ Payment to support the PCMH
   o Coordination Payment
   o Visit Fee

Team-based care:
NP/PA
RN/LPN
Medical Assistant
Office Staff
Care Coordinator
Nutritionist/Educator
Pharmacist
Behavioral Health
Case Manager
Community resources
DM companies
Others...
PCMH STANDARDS

1. Access and Communication
2. Patient Tracking and Registry
3. Care Management
4. Patient Self-Management Support
5. Electronic Prescribing
6. Test Tracking
7. Referral Tracking
8. Performance Reporting and Improvement
9. Advanced Communications

"CHANGE IS NOT MANDATORY."

“SURVIVAL IS NOT MANDATORY.”

W. Edwards Deming