

NC Multi-payer Advanced Primary Care Practice Demo

Presentation to NCIOM Health Reform
Quality Workgroup
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Alan Hirsch

(Slides courtesy of Allen Dobson)

Requirements

- Conducted under state auspices
- Promote advanced primary care
- Include Medicaid and substantial participation by private health plans
- Have support of PCPs
- Provide mechanisms for community support of participating practices
- Coordinate with health promotion and disease prevention activities

Additional Expectations

- Common payment method across multiple payers will reduce administrative burden
- Ability to align incentives
- Provide participating practices the resources needed to function as advanced primary care
- Implement by end of 2010

Medicare's participation

- CMS will make payments for primary care, community based support and operating expenses to the extent all participating payers make such payments
- CMS payments will not exceed \$10 pmpm
- Demo must show budget neutrality over the 3 yr demo
- Other demo areas are excluded (PGP and 646 counties)

North Carolina Proposal

- Use CCNC as the framework (Medicaid participation in demo)
- Identify rural communities/counties/networks for the demo with 1) a solid core PCP group(s) 2) an opportunity to show major impact in access and quality 3) a strong CCNC infrastructure and leadership 4) approval for participation by private payer partners
- Target improvement in access (decreased ED rates), improved quality for core chronic diseases, better coordination (decreased readmissions), reduced disparities and more cost efficiencies (reduced cost growth rate)
- Secondary benefit will be economic development impact

Community Selection Criteria

- Adequate core primary care group(s) to serve population
- Willingness of PCPs to participate
- Opportunity to improve key health statistics
- No other significant competing pilots
- Support of key network leadership including hospital or parent organization(s)
- Working relationship with health department
- Private payer patient numbers meet minimums

Communities

- Ashe County – six practices (four family practice, one pediatric and one internal medicine)
- Avery County – six practices (five FP and one pediatric)
- Bladen County – seven practices (one multi-site FP, one Federally-qualified Health Center, four FP and one IM)
- Columbus County – 26 practices (14 FP, two pediatric, seven IM, one Rural Health Clinic, one health department and one FQHC)
- Granville County – seven practices (four FP, two women's health and one IM)
- Transylvania County – three practices (three FP).
- Watauga County – six practices (two FP, one pediatric, one IM, one IM/pediatric and one health department)

Expected Participants and Expenditures

Total Number of Participants by Payer by Year

Payer	Year 1	Year 2	Year 3	Total
<i>Medicare</i>	40,662	42,251	44,437	127,350
<i>Medicaid</i>	38,449	40,390	42,423	121,262
<i>Private</i>	39,751	40,336	40,923	121,011
<i>Total</i>	118,862	122,977	127,783	369,623

Total Expenditures by Payer by Year (in thousands)

Payer	Year 1	Year 2	Year 3	Total
<i>Medicare</i>	\$3,766	\$3,914	\$4,116	\$11,796
<i>Medicaid</i>	\$2,282	\$2,397	\$2,518	\$7,197
<i>Private</i>	\$1,473	\$1,495	\$1,516	\$4,485
<i>Total</i>	\$7,522	\$7,806	\$8,151	\$23,479

Expected Savings

- Anticipate Medicare investment of \$11.8 mil. and savings of \$37 mil. over three year demonstration period
- Projected savings generated from
 - reduced hospital inpatient readmission rates
 - reduced inpatient hospital admission rate for potentially preventable hospitalizations
 - reduced unnecessary ED use
 - implementation of EHRs

North Carolina Proposal Status

- Proposal submitted to CMS August 17
- Currently under review
- Partners:
 - DHHS (Office of Rural Health and Community Care)
 - BCBS
 - SEHP
 - CCNC
 - NCHQA