



Update on the national Medicare Medical Home Demonstration
Prepared by Eric Davies, Consultant
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Introduction

Beginning in the spring of 2009 the Centers for Medicare & Medicaid Services (CMS) will initiate a new **Medicare Medical Home Demonstration in up to eight sites nationally. A site will be defined as an entire state and/or a portion of a state within a jurisdiction that will be no smaller than a county.**

As of February 20, 2009 CMS has finalized its analysis of potential sites for the rollout of its Medical Home Demonstration, and has made its site recommendations to the US Department of Health and Human Services Office of Management and Budget. **According to James Coan, CMS project officer, no announcement regarding the areas that qualify as sites will be made until the OMB approves the CMS recommendations.**

However, in a telephone conversation with Edwina Rogers, executive director for the Patient-Centered Primary Care Collaborative, she clarified that Ohio is well-positioned and meets all of the CMS site-selection criteria.

Once CMS announces the site designations, individual medical practices within those designated areas will be permitted to apply to become a participant in the demonstration project.

Site Selection

CMS has based the process of designating sites purely on data it has collected. According to the Section 204 of the Tax Relief and Health Care Act of 2006, the Medical Home Demonstration must operate in no more than eight states.

The site selection process is not competitive, and potential jurisdictions have not been afforded the opportunity to apply to become a demonstration site. CMS has developed a set of criteria being used to determine site eligibility that includes geographic information, population, the number of Medicare enrollees and providers and a variety of other factors.

To be considered a site, a geographic area:

- May include both urban and rural areas, including federally-designated medically underserved areas
- Must be no smaller than a county, and no larger than an entire state
- Must not contain a current CMS-sponsored demonstration (including a current Medical Home Demonstration or an Electronic Health Records Demonstration among others)

Eligible practices

Once CMS announces the demonstration sites, individual medical practices may apply to participate in the demonstration project. The original project timeline showed the application period extending from January through March, 2009. However, according to Mr. Coan, CMS is operating behind schedule on this project and the entire timeline will be shifted accordingly.

In conjunction with the announcement of the sites, CMS will alert all medical providers and stakeholder organizations within the designated areas of the opportunity to join the demonstration project, and will release application guidelines concurrently. Medical offices within these regions will need to apply individually, and will be required to meet the following criteria:

- Claim 150 or more fee-for-service (FFS) Medicare beneficiaries per physician (a practical rather than rigid qualification) **Not every physician in the practice must qualify!!**
- May be small, medium or large private practices or Federally Qualified Health Centers (FQHCs)
- Must meet National Committee on Quality Assurance Physician Practice Connections-Patient Centered Medical Home (PCC-PCMH) CMS version Tier 1 requirements **by the start of the demonstration project:**
 - **Note: A practice may apply and be initially accepted even if it does not meet the Tier 1 criteria at the time of the application. CMS will assess whether or not the provider can meet Tier 1 requirements within a certain specified “grace” period.**
 - **The current timeline allows about seven to nine months from the initial application to the start of the demonstration project for assessment and technical assistance. At the end of this period, only those practices that have attained Tier 1 status will be eligible to participate (see below for more information on the criteria).**
- Each satellite within the same medical practice must apply separately (including FQHC satellite locations)
- An individual physician may only participate in the project at one designated practice location (i.e., even if the physician works in more than one location for the same practice, he/she may claim only one as the location for the enhanced reimbursement under this demonstration project)

John Hopkins School of Public Health will take the lead in the provision of technical assistance through a grant received from a private foundation. (TransforMed and similar entities have been engaged to provide this technical assistance).

Eligible Medicare beneficiaries (patients):

Once a practice has become enrolled in the demonstration project, eligible Medicare beneficiaries (individual patients) may be enrolled if the patient:

- Has one or more accepted chronic conditions for more than 12 months, and needs ongoing care for this condition

- Received treatment (two or more ambulatory claims, or one inpatient claim) for one or more of these diagnoses or conditions within the previous year
- Medicare is the patient’s primary insurer (Traditional Medicare fee-for-service beneficiaries, not Medicare Advantage)

Benefits of the Demonstration

After CMS finalizes the list of participating practices, those practices/physicians will begin to receive enhanced reimbursement for care management for enrolled patients. These patients (Medicare beneficiaries) will be enrolled over an approximately two-year time period, consistent with the time-period for the demonstration project.

A CMS-specific version of the National Committee for Quality Assurance’s (NCQA’s) Physician Practice Connections - Patient Centered Medical Home (PCC-PCMH) tool has been created for the Medicare Demonstration. The CMS Version, known as the PPC-PCMH-CMS instrument, will be used to assess readiness and direct payments to participating medical practices. As noted, practices will be eligible to participate if it is determined they meet the PPC-PCMH-CMS Tier 1 criteria. Practices will then be provided technical assistance to encourage movement toward meeting the Tier 2 requirements.

Tier 1 – Practices will be required to have all 17 of the listed capabilities.

Tier 2 – Practices will be required to have all 19 of the listed essential capabilities, plus any 3 of the listed optional capabilities.

The monthly care management fees (for medical home services) will be based on Medicare’s Relative Value Units (time and intensity of patient visit), and fees will be adjusted based on a Hierarchical Condition Code (HCC) scores that reflect the severity of the patient’s condition and the burden to the physician.

PCC-PCMH-CMS Tier 1 and Tier 2 payments will be made on the following basis:

Table 3. Medicare Medical Home Demonstration Per Patient Per Month Payment Rates, Overall and by Patient HCC Score

Medical Home Tier	Per Member Per Month Payments	Patients with HCC Score <1.6	Patients with HCC Score ≥1.6
Tier 1	\$40.40	\$27.12	\$80.25
Tier 2	\$51.70	\$35.48	\$100.35

Source: Mathematica Policy Research, Inc., Design of the CMS Medical Home Demonstration, DRAFT October 3, 2008

For more information on the Tier 1 and Tier 2 requirements, refer to the documents referenced at the end of this report.

Recommendations / Next Steps for Access HealthColumbus (AHC)

Edwina Rogers anticipates CMS will announce the demonstration sites within a few weeks (i.e., by the end of March). As a part of its own demonstration project, AHC may work to identify potential sites that would be prepared and interested in applying for the Medicare’s demonstration. Both Mr. Coan and Ms. Rogers mentioned those areas where medical home pilot projects have started, or are in formation, may have an advantage and may provide better support for the CMS initiative locally. Participating practices may find it advantageous to be involved in both a local medical home project as well as the Medicare demonstration.

To prepare practices locally, AHC may consider the following actions:

- Review the documents referenced below
- Distribute this information to local providers / stakeholders as appropriate (including the resources listed below)
- Contact other stakeholders who represent medical practices (such as CMA, OAFP, OACHC, AMA, etc...) to share information and approaches to prepare providers for the demonstration
- Assist medical practices to prepare and submit applications once the application criteria/guidelines are released
- Consider approaches to integrate the Medicare demonstration project into the overall local PCMH demonstration project
- Assess the value and extent of technical assistance to be offered through John Hopkins, and consider whether or not additional T.A. would be valuable for local providers to help them meet the PCC-PCMH-CMS Tier 1 and Tier 2 requirements

Mr. Coan did mention that if technical assistance is provided from entities outside of those directly sanctioned by CMS, the agency is not liable and cannot be held responsible for the T.A. provided if the practice does not achieve the requirements for Tier 1 or Tier 2.

CMS Reference Documents (Click on title to view):

1. Comprehensive overview of the Medical Home Demonstration:

Mathematica Policy Research, Inc.
Design of the CMS Medical Home Demonstration
DRAFT October 3, 2008

2. NCOA Standards – CMS Version

National Committee on Quality Assurance
Standards and Guidelines for
Physician Practice Connections®—
Patient-Centered Medical Home
(PPC-PCMH™)
CMS Version
October 6, 2008

<p>Contact information: CMS Demonstration Project: James F. Coan CMS Project Officer 410-786-9168 medhomedemo@cms.hhs.gov</p> <p>Questions on this report: Eric Davies Consultant to Access HealthColumbus (614) 397-3569 edavies@columbus.rr.com</p>
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