

'Medical home' projects seek to cure health care

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Local health insurers are experimenting with changing the way doctors are paid, hoping that pilot programs will show it's possible to improve care while also lowering its cost.

Premera Blue Cross and Regence BlueCross BlueShield are testing variations of what's called a "medical home," under which a team of health-care professionals headed by a primary-care doctor tries to help patients with chronic diseases improve their health and stay out of the hospital.

Instead of paying for each service, such as an office visit, insurers pay a set monthly amount per patient, plus financial rewards for meeting quality standards or lowering costly emergency-room trips.

The state is getting into the act, too. The Legislature this year directed two state agencies to assess opportunities for "changing payment practices" to better support development of medical homes.

Under the usual fee-for-service arrangement, there's a financial incentive for doctors to do more tests and surgeries than necessary.

"The payment incentives are clearly to do more," said Dr. Al Fisk, chief medical officer at The Everett Clinic, who is among those who believe that paying for value rather than quantity would result in savings sufficient to give all Americans access to health care.

Premera Blue Cross CEO Gubby Barlow agreed, saying the change is one way to "drive waste out of the health-care system." Premera is trying this out with physicians at Seattle-based Swedish Medical Center, Tacoma-based MultiCare Health System and other organizations.

Premera worked with Swedish on a payment system for Swedish Community Health, its recently opened clinic in Seattle's Ballard area that's based on the medical-home model. Premera pays an undisclosed monthly amount for each of its members under care of one of the clinic's primary-care physicians. Depending on how well the doctors do, according to various measures, the monthly fee will go up or down in succeeding years, said Premera Senior Vice President Rich Maturi.

"Change can't happen overnight," Maturi said, "so we need some pioneers to lead the way, prove the concept."

In January, Premera and MultiCare Health System will embark on a three-year pilot to see how well this payment model fares for Premera-covered diabetic patients who volunteer to take part.

"We want to demonstrate the value of an alternative method of paying for primary care," said Dr. Andrew Baron, medical director of the MultiCare Medical Group.

Teams of MultiCare professionals under direction of a primary-care doctor might include physician assistants, nurses, dietitians, diabetes educators, health coaches and even social workers and psychologists. A health coach, for instance, might work weekly with a diabetic patient needing to lose 50 pounds.

Not everyone is sold on the medical home model, though. Seattle wellness expert Larry Chapman calls it the health-care industry's latest "pet rock" for controlling costs and improving care.

"However, the model suffers from an absence of consumer incentives (to participate) and is not likely to produce much cost savings or care improvement," he said.

Still, there's already some evidence locally that the medical-home model is cost-effective. Group Health Cooperative, which combines insurance and medical care under one roof, tested it with one clinic and recently decided to convert all of its 26 clinics to that model. The test showed a reduction of 29 percent in emergency-room visits and 11 percent in hospitalizations for patients with chronic diseases.

Regence BlueCross BlueShield is testing the medical-home model, too. For the past few years, it has been trying it out with some 700 chronically ill employees of a large local self-insured business, which Regence declines to name.

"The goal is to reduce avoidable hospital admissions and emergency-room visits," said Allison Goldwater, Regence's director of network strategy and reimbursement management in Portland.

Meanwhile, eight health insurers have committed to help the state test the medical home model, per legislation passed earlier this year. Besides Premera and Regence,

they include Aetna, Cigna, Community Health Plan of Washington, Group Health Cooperative, Molina and United Healthcare. The Puget Sound Health Alliance is coordinating the group, which also includes representative of businesses, unions, the Washington State Medical Association and Washington Academy of Family Physicians.

Mary McWilliams, the alliance's executive director, said it's not enough for one insurer or another to test the medical-home model. What's needed is a "critical mass" of insurers collaborating to create financial incentives rewarding the same things.