



## Vital Aging Network Forum

Health Care Reform in Minnesota:  
The Impact on Older Adults  
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The Role of Medical (Health Care) Homes

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# Minnesota Medical Association

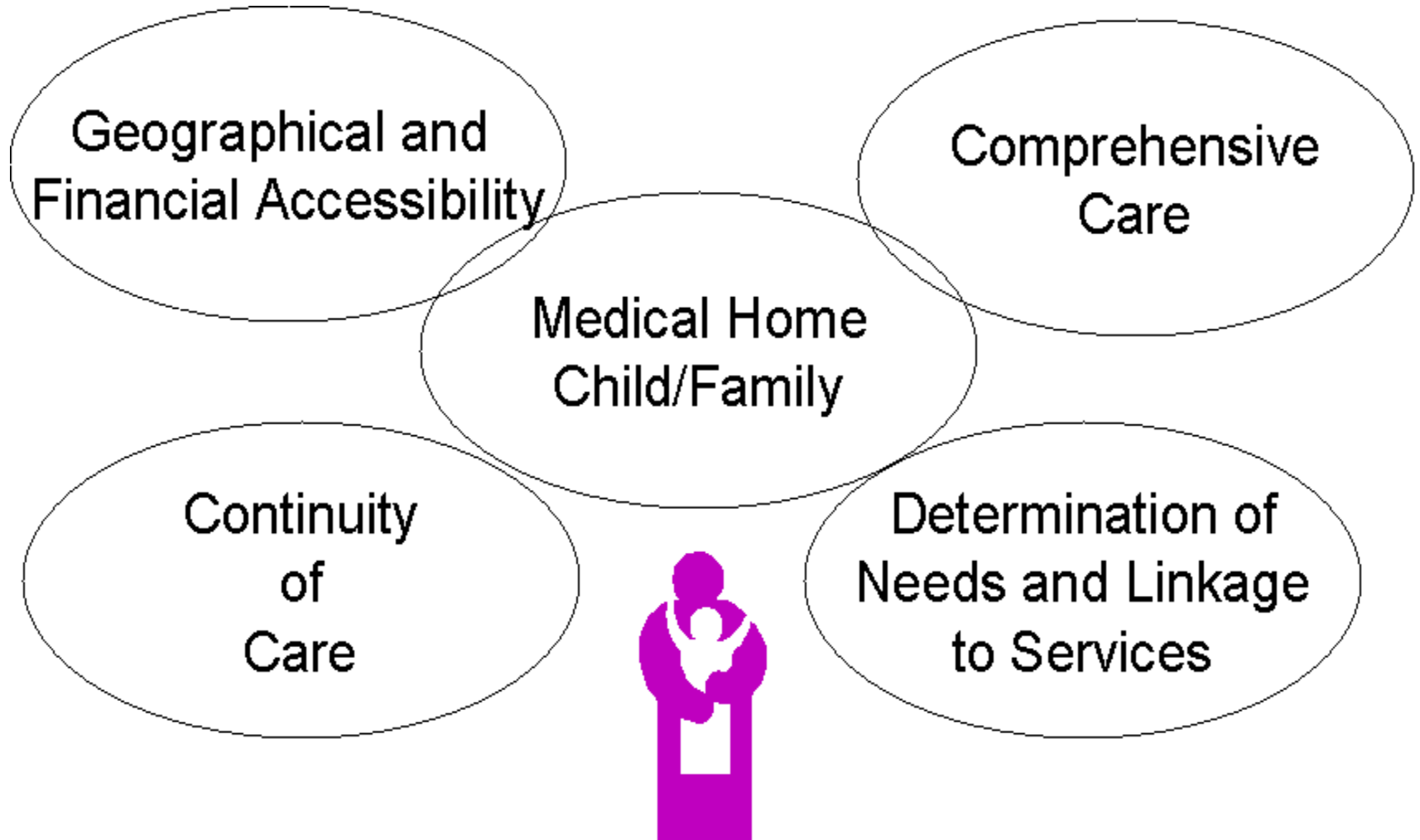
- Founded in 1853
- Voluntary, professional association for physicians, medical residents, and medical students
- 11,000 members
- Mission is to provide advocacy, information, education and leadership for Minnesota physicians and their patients.

# What Is A Medical (Health Care) Home?

- A way to provide comprehensive primary care
  - Patient/Family-centered
  - Ongoing relationship with a personal physician
  - Coordinated care
  - Enhanced access to care (not just in person)
  - Team-based delivery of care
  - Compassionate, and culturally effective
- Not = “gatekeeper”

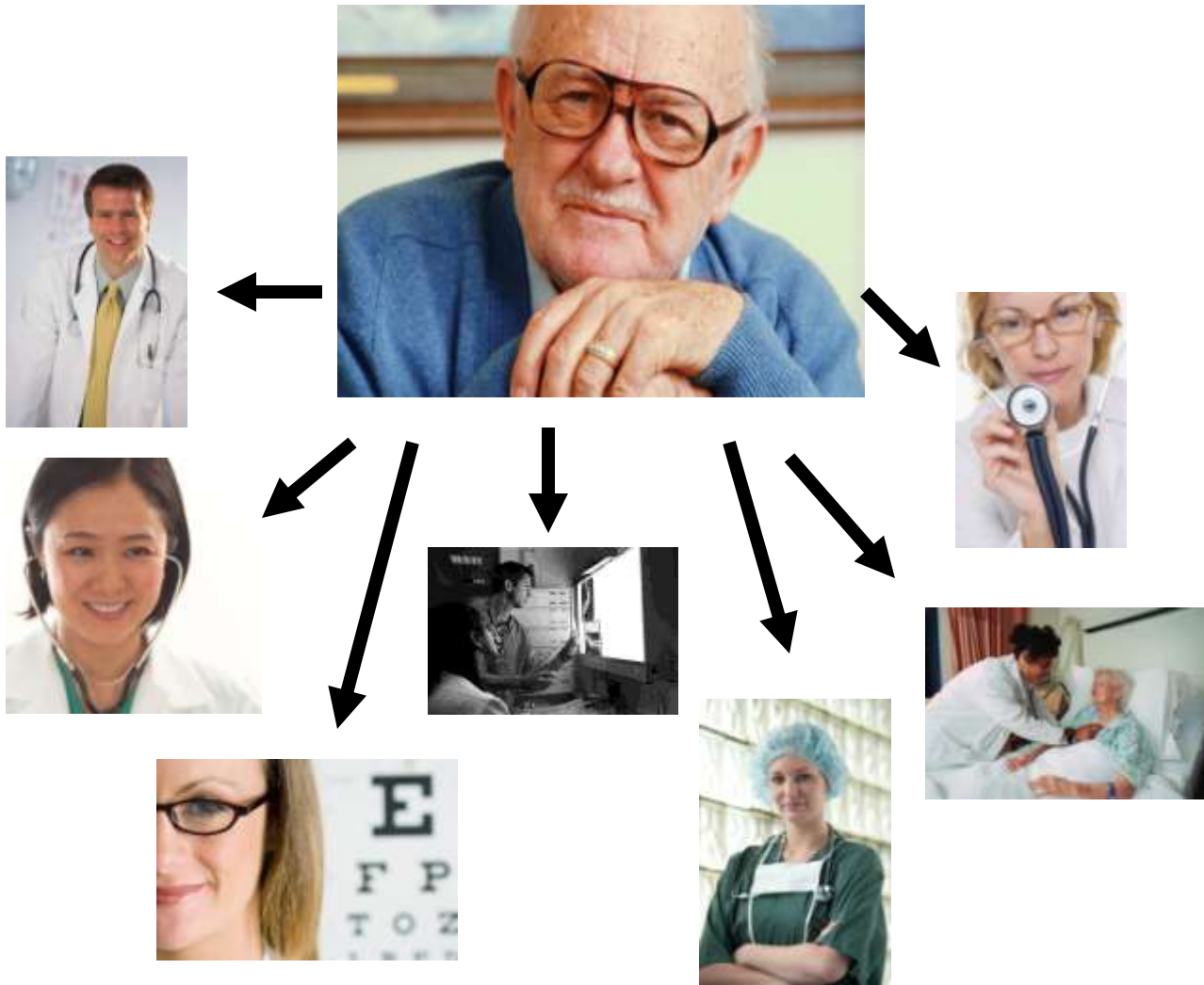


# Medical (Health Care) Home

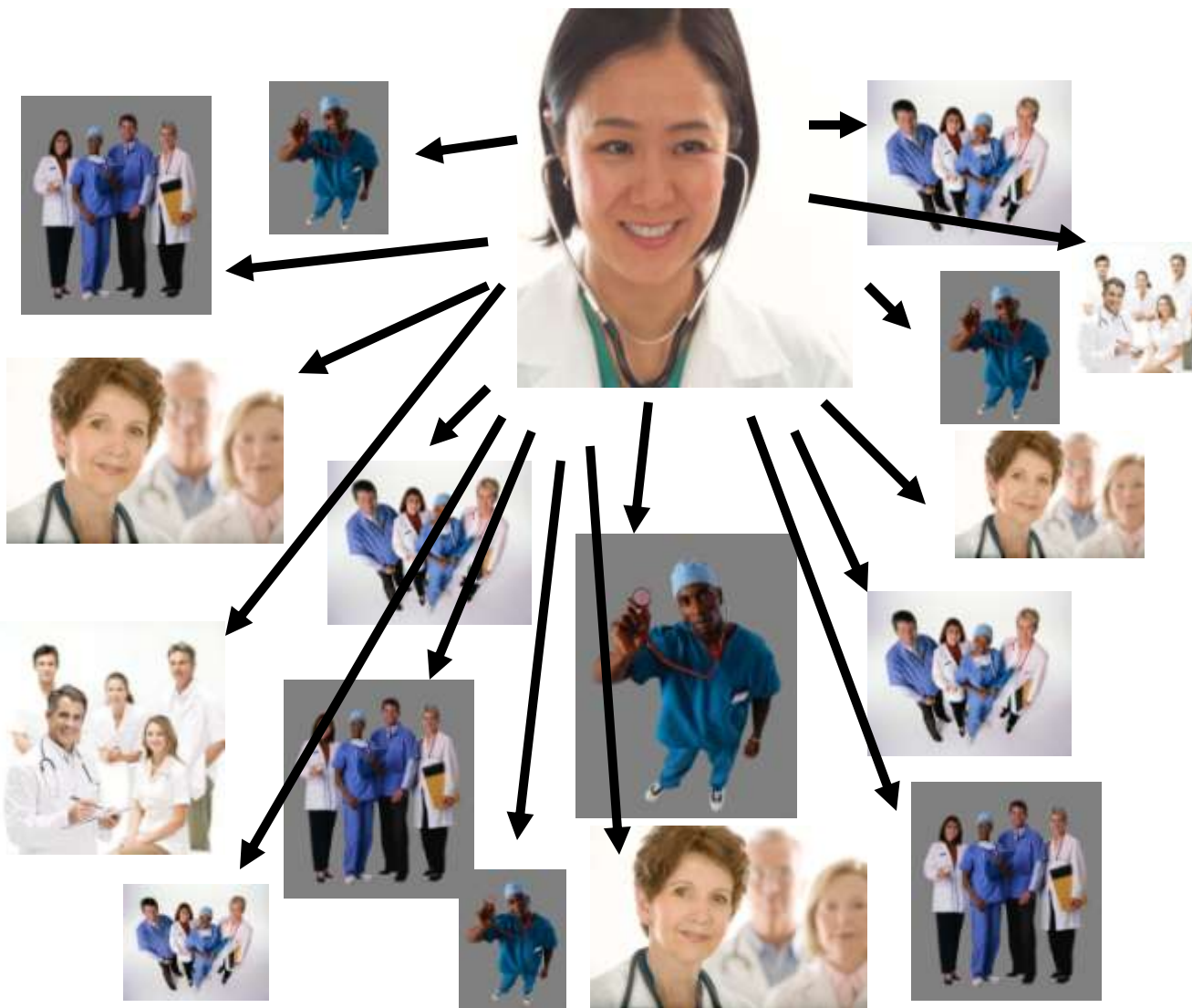


# What's New?

- In 2005, 133 million Americans – almost 1 out of every 2 adults – had at least one chronic illness
- Increased medical specialization, technology
- Health care payment model
  - Pays for visits/doing “things”
  - Little support for prevention, counseling, care coordination, patient education – time-intensive



- In a single year, the typical Medicare beneficiary sees 2 primary care physicians and 5 specialists, in 4 different medical practices.
- 50% of Medicare beneficiaries have 1 or more chronic conditions (diabetes, COPD, heart failure, cancer, kidney disease, depression)



- Typical primary care physician
  - Has 229 other physicians, in 117 practices with which care must be coordinated;
  - Equivalent to an additional 99 physicians and 53 practices for every 100 Medicare beneficiaries managed by the primary care physician.



# Benefits for Patients

- Health care that is more accessible
- Care that is safer – information readily available
- Care that is coordinated across health care providers
- Care that accepts patients and families as true partners in care
- Care that is actively managing/anticipating your needs
- Ultimately – improve quality and reduce costs



# Benefits to Providers of Care

- Less redundancy
- Reduced errors
- Higher professional satisfaction
- Greater efficiency and productivity
- More appropriate use of physician and other provider expertise
- Closer collaboration with other health care providers and patients



# Health Care Homes in Minnesota

- 2008 Minnesota Health Care Reform Act
  - Stimulate development
  - Establish clear standards and expectations – certification process
  - Develop payment model for added value
- Various models previously in place
  - Children with special health needs
  - Pilot projects

# Current Status

- Strong interest
  - Nearly 90% of primary care clinics believe the model would result in better health outcomes and increased patient satisfaction.
- About 75% of Minnesota's primary care clinics already provide some health care home services
  - 12% don't offer any of the required health care home components
- Rural clinics may be less prepared
  - Only 24% of rural clinics reporting that they offer components of a health care home.
- Barriers
  - Workforce shortages, staff time, and start-up costs

# Current Status

- Certification requirements recently finalized
- Payment methodology outlined
  - Monthly payments for some health care home patients
  - Not expected to change patients' copays or out-of-pocket costs
- July 1, 2010 – payments will begin
  - For MA, GAMC, MNCare health care home enrollees
  - For state employees in health care homes
  - For some private health plan enrollees
- State law – can't include Medicare



# The Medicare Gap

- Leaves out ~650,000 Minnesotans
- Limits ability of practices to spread costs for practice transformation
  - Limits provider interest
- Narrows model potential
- Limits interest of other payers

# But, Maybe...

- September 2009 Medicare demonstration announcement (Advanced Primary Care):
  - Medicare will join established state-led multi-payer initiatives
- States would...
  - establish administrative structure for multi-payer initiative
  - support practice/quality improvement efforts
  - administer Medicare payments to providers / support organization(s)
- Medicare would...
  - continue to pay for otherwise covered services
  - participate as payer for Medicare beneficiaries
  - contribute to multi-payer data systems
  - independently monitor / evaluate impact on Medicare program



# Eligibility Requirements

- Details still in development...
  - Substantial participation by Medicaid and private payers
  - Substantial support by primary care physicians
  - Rigorous qualification of “advanced primary care practices”
  - Mechanism to integrate community-based resources
  - Prospective assurance of budget neutrality
  - Administrative structure/capacity
- Is Minnesota well positioned?



# Federal Reform Proposals

- House bill (H.R. 3962)
  - Gives Public Option authority to utilize medical home/care management payment models
  - Calls for Medicare & Medicaid medical home pilot projects
- Both Bills (H.R. 3962 & H.R. 3590)
  - Support training programs that support team-based care as used in medical homes.



# What Can You Do?

- Learn more about health care homes
  - MN Dept. of Health website (Reform)
  - Center for Medical Home Improvement
- Talk to your clinic about the value of health care home services to you and your family
- Support state efforts to include Minnesota in Medicare demonstration project