

2011 Legislative Priorities

Promote an All-Payer Patient-Centered Medical Home Model of Care

● ● ● RECOMMENDATIONS

- Michigan should construct legislation that encourages the development of an All-Payer PCMH system.
- Michigan should use evidence-based results from pilot projects to steer policy development around the PCMH model.
- Consistent with the PCMH Coordination and Continuity of Care Principle, Michigan should create incentives for systems change that provides integration and alignment of existing community resources, including community health services.

● ● ● ISSUE

Health care is currently delivered in a fragmented manner that rewards volume over quality, generating unnecessary costs and compromising patient outcomes. A paradigm shift to the Patient-Centered Medical Home (PCMH) model of care delivery will transform Michigan's "illness" system to one of prevention, with subsequent increases in population health and compensatory decreases in avoidable health care expenditures.

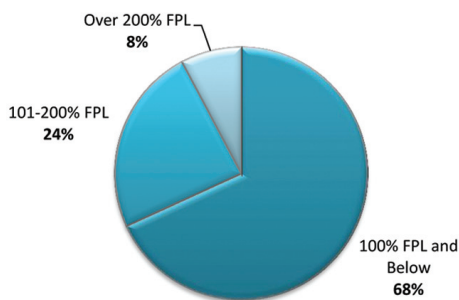
● ● ● BACKGROUND

The United States spends over \$2 trillion per year (or 17.3% of the nation's GDP) for health care services, but performs dismally on basic core health indicators such as infant mortality and life expectancy. Poor reimbursement for primary care and more lucrative reimbursement for acute episodic specialty care is a major force that has driven physicians away from primary care and toward specialty care. Moreover, the absence of a payment incentive for coordinated care between providers and for patient education creates higher costs and is detrimental to the population's overall health. To rectify this situation, the Patient Protection and Affordable Care Act of 2010 (ACA) and a myriad of health care stakeholders have proposed the PCMH as a promising solution. Several demonstration studies have shown that, while challenging, transformation to the PCMH model will lead to significant quality gains and cost reductions. Implementation of the PCMH will require fairly drastic system reformation, however.

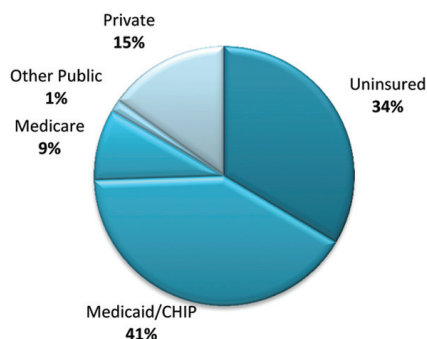
● ● ● DISCUSSION

The Institute of Healthcare Improvement's "Triple-Aim" sets three challenging goals for the United States and Michigan. Specifically, it implores delivery of care that; 1) focuses on improving the health of the population, 2) enhances the patient experience of care, and 3) reduces/controls

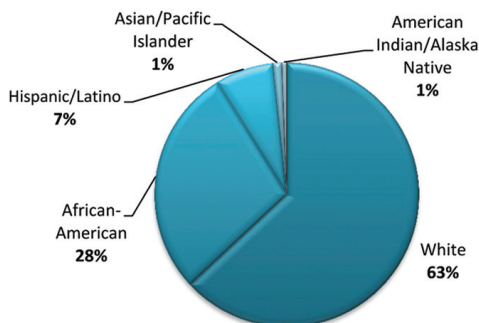
Michigan Health Centers Patients INCOME LEVEL 2009



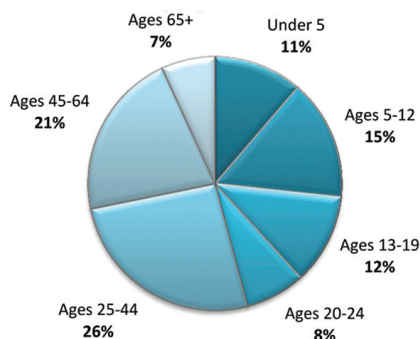
Michigan Health Centers Patients INSURANCE STATUS 2009



Michigan Health Centers Patients RACE/ETHNICITY 2009



Michigan Health Centers Patients AGE 2009



the per capita cost of care. The Seven Joint Principles of the PCMH movement that will move us toward meeting these three goals are Personal Physician, Whole Person Orientation, Physician Directed Medical Practice, Coordinated Care, Quality and Safety, Enhanced Access, and Payment Reform.

The ACA has afforded the PCMH an accelerated path of expansion throughout the United States. One of the core components of this expansion will be channeled through the Centers for Medicare & Medicaid Services' Multi-Payer Medicare-Medicaid Advanced Primary Care Demonstration Initiative, which will take place in eight states including Michigan. Even before the ACA, however, Michigan and several other states have carried out PCMH pilot programs. Some states, including Minnesota and Vermont, have also developed state-based PCMH models which require participation by all payers.

The PCMH model will only be successful if necessary resources and structural amendments are given to the existing system. Key stakeholders including patients, providers, payers, and policymakers must make this change a priority. Examples of change include team-based care and investment in information technology and the primary care workforce. It also requires reimbursement change that is consistent across payers and rewards quality, shares in cost, and values primary care visits. It is essential for states to require all payers to participate if optimal savings and quality outcomes are to be achieved.

● ● ● COMMUNITY HEALTH CENTERS

For over 30 years, Michigan's Community, Migrant, HIV/AIDS, and Homeless Health Centers have been delivering comprehensive, affordable, cost-effective, quality primary and preventive care to federally designated medically underserved areas/populations of our state. Michigan's 32 Community Health Center organizations form an essential component of the state's safety net for nearly 600,000 residents at approximately 170 different locations. These organizations are on the front lines of health care serving the most vulnerable populations in rural and inner city communities.

● ● ● MORE INFORMATION

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