

SustiNet Health Partnership

Medical Home Advisory Committee

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Patient Centered Medical Home Advisory Committee Meeting

October 1, 2010

Meeting Minutes

Committee Attendees: *Ellen Andrews, Co-chair; Keith vom Eigen; Les Holcomb; Sylvia Kelly; Richard Duenas; Jennifer Jaff; Ron Preston; Judith Myers; Ken Lalime; Rose Stamilio; Dominique Thornton; Tom Woodruff; Jim Augur; Sheldon Toubman; Marghie Giuliano*

SustiNet Consultant: *Anya Rader Wallack*

Office of the State Comptroller: *David Krause*

Excused: *Evelyn Barnum; Sandi Carbonari; Amy Casavina Hall; James Cox-Chapman; Joanna Douglass; Bruce Gould; Joseph McDonagh; Drew Morten; Deborah Poerio; Maureen Smith; James Stirling; Jody Terranova; Tory Westbrook; Scott Wolf*

Ellen Andrews opened the meeting by welcoming all participants. Ellen thanked CT-N for taping today's meeting and Bev Henry from the Public Health Committee for helping to get a room on short notice. Ellen introduced Tom Woodruff and Ron Preston who will speak about CT's Medicare application for a demonstration patient centered medical home (PCMH).

Tom spoke of the origins of this project. Last fall, the Comptroller's Office (CO) was preparing the state employee and retiree medical plans to become self-insured. The Legislature had authorized this and there was a binding agreement between the SEBAC union coalition and the previous governor requiring the medical, dental and pharmacy plans to be fully insured. In addition, HealthNet, one of three carriers used for the employee plan, had announced that it was going out of business in the Northeast. This provided an opportunity to take a fresh look at who the carriers were and what programs were available. In November the CO issued an RFP for the medical plan that included the expectation that the successful bidder would be engaged in a patient centered medical home (PCMH) pilot. The bidders were expected to reach out to primary care practices throughout the state to determine who they felt would be ready to participate in this pilot. The decision was made to utilize two carriers rather than three, retaining Anthem and United Healthcare to administer the plan, and it was learned that both organizations were negotiating with ProHealth. In June, the Center for Medicaid and Medicare Services (CMS) issued a solicitation for a multipayor

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advanced primary care practice demonstration, which was defined as a PCMH. The CO made a decision to expand the pilot program to include a larger group than just state employees and retirees. The CO met with ProHealth to discuss their interest in participating in an expansion of the PCMH initiative, and also met with an administrator for Medicaid programs from the Department of Social Services (DSS) to see if they would collaborate on this pilot. CMS had established several requirements for the demonstration, one being that the insurance companies involved would need to represent either 50% of the commercial healthcare insurance business in the state or if there was only one practice engaged, the demonstration would need to represent 50% or more of that practice's commercial patients. With Anthem, United Healthcare and ProHealth, this project qualified under that standard. The other requirement was that the Medicaid program had to participate. A memorandum of understanding was signed between DSS and the CO about how to structure that relationship moving forward. Currently, about 14,000 Medicaid patients use ProHealth physicians, including some who are dually eligible, leaving approximately 11,000 Medicaid patients who could participate in the demonstration. In addition to Medicaid patients and state employees/retirees, CMS and Medicare would also participate. ProHealth has about 33,000 Medicare patients, so they would be fully engaged in the first stages of the pilot.

Another requirement that had to be met is that all payors have to use the same methodology in paying ProHealth physicians, which creates some challenges. The second carrier who was called asked if CT has anti-trust convener legislation. The caller explained to Tom that other states have specific laws that permit the state to act as a convener of multiple insurance companies to collaborate on pilots and demonstrations and agree on payment methodology without running up against antitrust issues. There's a challenge in how to engage other carriers in addition to the two already under contract. The CO asked CMS if they could secure a Department of Justice waiver or letter explaining how to address other carriers and provide guidelines on what process to use in order to ensure antitrust issues were not being violated. A Department of Justice letter was received, so now other carriers can be engaged.

Another challenge is to prove to Medicare, DSS, OPM, and state government that the demonstration would be budget neutral. It is necessary to show that whatever extra payments are made to participating practices will be offset by savings. CMS provided a tool containing links to worksheets and spreadsheets showing CT and national Medicaid claims in several different categories for the past 12 months. The CO has been populating the spreadsheets with specific plan claims. The tool provides an estimate of what increased primary care payments might be for 12 months and allows the user to set targets for cost reductions. The demonstration has been structured with the CO acting as the lead agency, DSS acting as a full partner, and UConn Health Center and the state's health care consultant serving as evaluators. There is an agreement to join the New England Plus multistate learning collaborative in order to share data and experiences.

Ron said that this demonstration came about as a direct response by Secretary Sebelius to a request made by New England. Two years ago, people responsible for healthcare reform in Vermont working on a pilot for PCMHs reached out to other New England states to form a coalition. Vermont was joined by every New England state except CT, as there were no efforts in place in CT at that time. The Millbank Memorial Fund, which was working with three other states on PCMHs,

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agreed to provide financial backing, so a coalition was formed with five New England states (MA – ME - NH - RI- VT) and Pennsylvania, Minnesota and Colorado. The following June, the five New England states sent letters to Secretary Sebelius requesting that Medicare be included in the demonstration. A year ago, Secretary Sebelius announced this demonstration as a direct consequence of those petitions from New England. CT is now a member of this coalition.

Ron pointed out some unusual aspects of this particular demonstration. He said that individual states have to apply for the demonstration, which is unusual for Medicare. Medicare usually works directly with insurers and providers. Also unusual is that Medicare is joining with other payors in this demonstration. Medicare had insisted that states caucus thoroughly with stakeholders in order to get a sense that relevant parties within the states supported the PCMH concept. Ron praised Tom and several others in the room for outstanding efforts in gaining support of relevant parties and completing the application. Ron added that this is not being viewed as an isolated effort, but as a pattern for building PCMHs that others can follow and to serve as a foundation for delivery system reform.

Ron said the Centers for Medicaid and Medicare Innovation, which will be established in January 2010, plan to put forth an array of Medicaid and Medicare demonstrations that will allow states and communities to build a broader healthcare reform. This is the first of the big demonstration initiatives arising as a result of the Patient Protection and Affordable Care Act (PPACA), and it was decided to work with the six strongest states. CT hasn't yet learned if it will be accepted for this demonstration, but there will be other demonstrations to come. Ron said this effort has gotten people together to work in a collaborative fashion with federal counterparts, so it hasn't been a wasted effort. Ellen mentioned that this Advisory Committee had strongly recommended this project their final report to the SustiNet Board. She thanked Tom and Ron for their work on the application process. She pointed out that ProHealth is the pilot for the demonstration and there will be other providers included, with the hope that eventually everyone in the state is included.

Ellen opened the discussion to questions. Les Holcomb asked if the spreadsheet from CMS was available to this Committee and Tom agreed to find out. Keith vom Eigen asked about plans for expansion beyond ProHealth. He also inquired about other demonstration projects that have been announced by CMS, such as the Federally Qualified Health Center (FQHC) demo program and whether CT has plans to be involved. Ron responded that he was unsure how CMS would handle expansion to other providers, although there seems to be an expectation from CMS that these demonstrations will evolve. Ellen said there are FQHCs in CT that are interested in doing this, and they don't have to be state sponsored. Keith said that there are advantages to having a central organizer thinking about these things ahead of time and being more proactive. He suggested that perhaps the CO or another state agency could take the lead on this by considering how to organize different payors and healthcare systems and getting that up and running before submitting applications. Ellen commented that this planning can't occur until after the new administration is in place.

Judith Myers asked where the pediatric population fits into this. Ron replied that this is supposed to be a comprehensive demonstration covering all age groups, although because Medicare was

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involved, the application focused on that population. He added that a significant number of Medicaid patients who will be involved in the demonstration are children. He also said that DSS will need to make some revisions to the existing Medicaid program. Ellen emphasized that this is intended to be just the start of PCMH adoption, with many additional practices participating down the road. Judith asked what the result would be if the application is selected, and how this will proceed if it is not selected. Ron replied that if selected, there will be enhanced funding for developing PCMHs. This could be set up so every payor pays exactly the same amount per member per month, which is a common methodology, or it could be weighted toward the intensity of the needs of the patient population, which is what CT opted to do. This means that Medicare's contribution will probably be greater because elder's care is more expensive than children's care. This gives CT a big advantage, allowing participation in the Centers for Medicaid and Medicare Innovation. Tom said that the PCMH effort will be a very data driven effort, requiring additional money, which will be provided under the demonstration grant.

Anya Rader Wallack said that this was impressive work. She asked what the length of time was to prove the project's budget neutrality, and the response was three years. She also asked about Medicare neutrality and whether there is any element of provider risk for budget neutrality. Ron responded that Medicare has been very explicit that once they have signed off, it is what it is. However, if the trend lines during the demonstration look bad, they reserve the right to pull the demonstration, but there isn't any associated monetary reduction or penalty. Anya asked if dual eligibles would be included and Ron replied that they would.

Richard Duenas asked if the application included professional organizations in addition to state agencies. Tom said that letters of support were received from state medical societies, IPAs, hospitals, the Governor's office, the CO, DSS, and a number of practices. These letters were submitted with the application and will be made public. Ellen added that this Committee submitted a letter of support. Richard said that chiropractic was not represented, asking if he could still voice support, and he was assured that he could. He also expressed a desire to participate in the evaluation process.

Sheldon Toubman said that PPACA provides enhanced reimbursement for care coordination services for people with two or more chronic illnesses, and asked if that was factored into the demonstration. Ron replied that it was not. Sheldon also asked how the PCMH effort would proceed if the application isn't accepted. Tom answered that DSS would have to make the decision whether to proceed without the CMS grant. Ellen added that every ProHealth patient will get the services, but the question would be who data is going to be collected from and how it would be funded. Marghie Giuliano asked if the ProHealth PCMH model would integrate services such as the recent collaboration between CT Pharmacists' Association and UConn School of Pharmacy which showed great results in helping patients with understanding their medications. Tom said such services would be included since pharmacy claims data is available for all patients in the pilot; there are currently discussions being held on how to utilize that data. Ron said the part of the application that included pharmacy had to be edited out due to space restrictions, but it certainly was discussed. Marghie asked if CT will be involved in the development of an accountable care organization as part of this project. Ron said that the PCMH is considered to be a necessary foundation of any

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accountable care organization, but it wasn't addressed in the application. Ellen said that the SustiNet Board is looking at all kinds of payment reform, but this is still in the conceptual stage.

Jennifer Jaff and Sylvia Kelly praised Ellen's leadership and thanked her for all her efforts. Ken Lalime also expressed appreciation. He added that CMS IPA has worked with the comptroller's office to help move this forward, and is very much in support of physicians that are meeting specified guidelines and standards having access to an all payor initiative. CMS has seen this throughout the state and feels it would work well, so it's not something that individual practices would need to do individually with each payor.

Richard asked about viewing the application. Tom said that it would be posted on the web and said the link would be sent to all Committee members. Richard asked if the demonstration would be available to all state employees, Medicaid and Medicare recipients. Ron said that it would not, but notice will be sent to all ProHealth patients as to their involvement. If someone chooses not to participate, their data won't be collected for the demonstration. All data collected will be de-identified. Ron added that the demonstration will transform the practice. This will benefit everybody in the practice and will not reduce anyone's rights or benefits under Medicare but rather will enhance service. All ProHealth patients will be part of this. Richard asked if there was a provision for patients to notify their other providers of their participation in the demonstration. Ellen answered that referral tracking is part of PCMH standards, and this should be done by the care managers at ProHealth.

Meeting was adjourned.