AHRQ Transforming Primary Care Grants

Multimethod Evaluation of Physician Group Incentive Programs for Patient-Centered Medical Home Transformation

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Overview of Transformation Efforts

In 2009, Blue Cross Blue Shield of Michigan (BCBSM) invited primary care practices to participate in a Physician Group Incentive Program, which provided financial and reimbursement incentives for pursuing patient-centered medical home (PCMH) transformation. Practices enrolled in the program worked to implement a PCMH model defined by BCBSM that encompassed 13 domains. The domains, which addressed key PCMH elements identified by primary care physician organizations, were: Patient-Provider Partnership, Patient Registry, Performance Reporting, Individual Care Management, Extended Access, Test Results Tracking and Followup, e-Prescribing, Preventive Services, Linkage to Community Services, Self-Management Support, Patient Web Portal, Coordination of Care, and Specialist Referral Process.

To aid practices in implementing the PCMH model, subject matter expert teams composed of physicians and nurses translated each domain into discrete steps or capabilities. The scope and number of capabilities varied with each domain. For example, the e-Prescribing domain had two capabilities that required practices to have a full e-prescribing system in place and in use by physician champions (capability 1), and expanding use of the system to all physicians in the practice (capability 2). The other domains had between eight and 18 capabilities.

Number and Type of Practices

This project involved 2,432 primary care practices of varying structure and size. Practices included adult and pediatric populations, and 60% were solo practices. Approximately 70% of Michigan's primary care practices, 36 physician organizations, 7,618 physicians, and 1.7 million BCBSM patients were represented.

Location

Michigan

Transformational Elements

- Accessible Services
- Comprehensive Care
- Coordinated Care
- Health Information Technology
- Patient-Centered Care
- Quality & Safety

As an additional aid to the practices, BCBSM provided a field team of health care workers with experience in process improvement and practice transformation to conduct onsite visits to facilitate transformation and validate capability reporting. BCBSM also provided financial support in the form of lump-sum payments to physician organizations and additional reimbursement for patient evaluation, care coordination, and self-management services.

Results of Transformation Efforts

Over a 12-month period, the practices made incremental progress implementing the PCMH capabilities. While none of the practices implemented all of the capabilities, 89 percent implemented at least one capability. The e-Prescribing domain had the highest rate of completion and was fully implemented by 59.3 percent of practices. Practices also initiated capabilities in the domains of Extended Access, Test

Tracking, Individual Care Management, Preventive Services, Linkage to Community Services, and Specialist Referral Process.

A BCBSM team tracked progress within and across practices by assessing the implementation status of the 128 capabilities identified for the 13 domains. This information was used to calculate a PCMH implementation score, which ranged from 0.0 (no implementation) to 1.0 (full implementation). The mean PCMH implementation score across practices at the end of 6 months was 0.18, and it had increased to 0.31 at the end of 12 months. Practice-level scores were highest in practices with six or more physicians and decreased with the number of physicians in the practice.

Key Impacts of Transformation

The effect of PCMH implementation on costs and quality was estimated based on relationships observed for partial implementation, using cost and composite quality and preventive care measures that were developed with administrative claims data. Findings from the estimates include the following.

Quality of Care

- It was estimated that full implementation of the BCBSM PCMH model would yield a 3.5 percent increase in the quality composite score and a 5.1 percent increase in the preventive composite score for adults, and 12.2 percent increase in the preventive composite score for pediatric populations. Incremental improvements in PCMH implementation would also yield positive effects on quality of care for adult and pediatric populations.

Cost of Care

- It was estimated that full implementation of the PCMH model would lower medical costs for adults by $26.37 per member per month, but would likely yield no reductions in costs for pediatric populations. Incremental improvements in PCMH implementation were not associated with cost savings for either population.

Challenges to Transformation

Even with the additional funding provided by BCBSM, finding resources to support PCMH transformation was a concern for many practices. Practices that were already struggling to address competing demands and small practices that were not part of larger organizations and unable to tap organizational/corporate resources were the most affected by limited funding for transformation efforts. The effect of practice size and resource constraints on PCMH transformation was underscored by the finding that PCMH implementation scores were lower in practices with fewer than six physicians.

Lessons Learned and Implications for Others

- Rather than following a single "one-size-fits-all" approach to PCMH transformation, practices should choose a path that builds on their own unique resources and capabilities. Practices participating in the Physician Group Incentive Program used a range of approaches to PCMH transformation. In some solo practices, physicians delegated implementation to a staff member, while in others, physicians used a "hands-on" approach and played a leadership role. Practices with two or

Implementing a PCMH represents a significant investment of time and expense. Requiring primary care practices to shoulder this investment alone may severely limit PCMH implementation. Payers, purchasers, and providers should explore methods for sharing cost savings derived from PCMH implementation to provide further incentive and support for ongoing implementation efforts.

more physicians tended to use a "corporate" approach and use existing administrative structures to get everyone on board and implement PCMH capabilities.

- PCMH transformation offers benefits to insurers and providers alike. By providing financial incentives, BCBSM catalyzed physician organizations and practices to develop the leadership expertise and capabilities needed to pursue PCMH transformation. Additionally, the PCMH transformation efforts led to improvements in the process and quality of patient care, as well as potential cost savings.

For additional information about this grant, please visit:
http://www.ahrq.gov/professionals/systems/primary-care/tpc/tpcbib.html#multi.

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