



Overview of Opportunities in Medicaid to Support Small Practice Transformation

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CHCS Mission

To improve health care quality for low-income children and adults, people with chronic illnesses and disabilities, frail elders, and racially and ethnically diverse populations experiencing disparities in care.

► Our Priorities

- Improving Quality and Reducing Racial and Ethnic Disparities
- Integrating Care for People with Complex and Special Needs
- Building Medicaid Leadership and Capacity

► National Reach

- States, health plans and providers



Medicaid's Fast Facts

60 million	People in the U.S. who receive Medicaid benefits.
\$333 billion	Estimated costs for Medicaid.
7.9%	Total Medicaid spending growth across states in FY2009 – the highest rate in six years – due largely to a recession-driven enrollment increase of 5.4%; enrollment is expected to increase by 6.6% in FY2010.
1 million	Number of additional Medicaid/CHIP beneficiaries resulting from a 1% increase in unemployment.
41%	Births in the U.S. covered by Medicaid.
28%	Children in the U.S. covered by Medicaid.
27%	Percentage of total mental health costs financed by Medicaid.
50%	Medicaid beneficiaries under 65 who are from diverse racial and ethnic groups.
5%	Percentage of beneficiaries accounting for 57% of total Medicaid spending.
8.8 million	People who are dually eligible for Medicare and Medicaid, including low-income elderly and people with disabilities.

Why focus on primary care transformation?

- Private physicians play a significant role in supporting the health care safety net, accounting for:
 - ▶ 78% of primary care visits for patients with either Medicaid or no insurance; and
 - ▶ 63% of primary care visits for minority patients.¹
- Need to address the ongoing plight of primary care:
 - ▶ Continuing and dramatic decrease in medical students choosing internal medicine; and
 - ▶ Ongoing struggle of “hamster wheel” for primary care practices.
- Systems with strong primary care systems yield lower costs and higher quality.²

¹ Forrest, C & Whelan, E (2000). Primary Care Safety-Net Delivery System in the United States – A Comparison of Community Health Centers, Hospital Outpatient Departments and Physicians' Offices. *Journal of the American Medical Association* 284 (16). 2077-2083.

² Starfield B, Shi L, Macinko J. Contribution of primary care to health systems and health. *Milbank Q* 2005;83:457-502.

Why target small practices?

- 60% of all physicians work in practices with four or fewer providers;¹
- 66% of physician office visits occur in practices of four or fewer providers;²
- Small practices have a growing and increasingly older patient load;³
- Up to half of Medicaid beneficiaries are served in (under-resourced) practices of four or fewer providers;
- Quality improvement efforts are often hindered by poor reimbursement and inadequate staff support;⁴ and
- Few programs focus on quality in small practices, despite the practices' large role in providing primary care in the U.S.

¹ American Medical Association

² 2004 National Ambulatory Medical Care Survey

³ Baron, R.J., Sept. 16, 2008 (presentation). "A Patient centered medical home in RI: what's the big deal?"

⁴ Audet, A.J., Doty, M.M., Shamasdin, J., and Schoenbaum, S.C. (May/June, 2005). Measure, learn and improve: physicians' involvement in quality improvement. *Health Affairs*; 24(3): 843-853.

Practice Size Exploratory Project

- Participants from AR, MI, NY, and PA
- Goals:
 - ▶ To describe the distribution of practice settings (i.e., solo/ small, medium, large, FQHCs) serving the Medicaid population; and
 - ▶ To explore the relationship between practice size and performance on HEDIS quality-of-care measures.
- Findings:
 - ▶ Small practices play a critical role in caring for Medicaid beneficiaries;
 - ▶ Smaller practices are more challenged by chronic care, as opposed to access; and
 - ▶ Persistent racial/ethnic disparities exist across majority of measures.

Research on Disparities

- Quality outcomes for Medicaid beneficiaries are typically 10% to 20% lower than for commercial patients;
- Low-performing hospitals tend to serve a larger proportion of minority patients;¹ and
- Physicians serving a large percentage of minority patients are:
 - ▶ Less likely to be board-certified; and
 - ▶ More likely to report that they are unable to provide high-quality care to all their patients.²

¹ R Hasnain-Wynia, DW Baker, D Nerenz et al. Where Minority Patients Seek Care. *Arch Intern Med.* 2007;167(12):1233-1239.

² PB Bach, HH Pham, D Schrag, RC Tate, JL Hargraves. Primary Care Physicians Who Treat Blacks and Whites. 2004;351(6):575-584.

Reducing Disparities at the Practice Site Initiative

- A national initiative designed to:
 - ▶ Support quality improvement in small practices serving a high volume of racially and ethnically diverse Medicaid beneficiaries; and
 - ▶ Reduce disparities in diabetes care.
- 36 small, primary care practices in Michigan, North Carolina, Oklahoma, and Pennsylvania.
- Testing new models of practice site improvement in small, “low-resourced, high-opportunity” primary care practices.
- 3-year initiative (with 9-month planning phase)
- Led by the Center for Health Care Strategies, with funding from the Robert Wood Johnson Foundation.

Tools for Supporting Practices

Leadership and Change Management	Coaching and mentoring to depart new skills
Social Network	Facilitating new social linkages
Chronic Care Education	Implementing practice-based chronic care tools
Enhanced Payment	Providing up-front enhanced payment
Health Information Technology	Implementing e-Rx, registries, EHRs
Data	Providing aggregate and member-level health plan data
Nurse Care Manager	Deploying practice-based care manager
Practice Facilitator	Deploying practice-based quality improvement facilitator

ARRA and MU for Eligible Medicaid Providers

- Medicaid provider incentive program:
 - ▶ \$64,000 per provider: \$21,500 in year one, \$8,500 each year after (up to five years)
 - ▶ For non hospital-based providers with at least 30% Medicaid patient encounters
- Medicaid and health plans can play a critical role in positioning providers to take advantage of these incentive payments and improve the quality of care.
 - ▶ Need to understand practices' resource needs (i.e., “handing them \$64k or an EHR package is not enough...”)