

# Healthcare IT News

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## Docs' model for care wins payer buy-in

By *Richard Pizzi, Associate Editor* | 11/01/07 | MODEL 1107

Washington – The Patient-Centered Medical Home, a primary care model physicians across the country are promoting, has garnered support from the nation's key healthcare payers.

Representatives from seven of the nation's largest health benefits companies last month pledged their support to a national collaborative promoting the medical home model, which is being touted as the way to revamp healthcare.

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"Primary care that is squarely centered on each patient's individual needs is the only hope for fixing the broken U.S. healthcare system," said Paul Grundy, MD, chairman of the Patient-Centered Primary Care Collaborative, and IBM director of Healthcare, Technology and Strategic Planning. "The Patient Centered Medical Home model is foundational to the rebuilding of the nation's healthcare system."

The seven health benefits companies supporting the model are Aetna, Blue Cross Blue Shield Association, CIGNA, Humana, MVP Health Care, UnitedHealthcare, and WellPoint, Inc.

Healthcare information technology plays a critical role in the medical home model of care. Advocates of the model have said that health information exchange, chronic disease registries, secure e-mail consultations, and electronic medical records will be central to care management in the model.

The approach is based upon evidence that recipients of personalized primary care live healthier, longer lives. By restructuring traditional reimbursement practices to support this transformation and reward the comprehensive delivery of primary care, the model seeks to expand the role of primary care physicians as coordinators of the health needs of their patients.

"In order for this model to work nationally, an interoperable health information system has to be in place," Grundy said. "One place where this works now is in Denmark, which is about 10 years ahead of the United States. But over the next few years you will see pilot projects developing here that use this kind of care model."

In addition to the payers, membership in the collaborative also includes four major primary care physicians' professional societies – the American Academy of Family Physicians, the American Academy of Pediatrics, the American College of Physicians and the American Osteopathic Association – as well as national employers and their associations, quality advocacy groups, academic centers, and consumer advocacy groups.

Leaders of the collaborative say they have gathered momentum and national attention since the organization's formation last year, in large part by creating a "critical mass of employer support."

"Having the health plans come to the table and show support means that the collaborative now represents all the major stakeholders," said Douglas Henley, MD, AAFP's executive vice president. "I think everyone recognizes that the medical home model needs to be tested and validated, and that new payments strategies need to be supported."

In addition to joining the PCPCC, the health benefits companies have committed to work toward the development and implementation of a series of multi-payer medical home pilot demonstrations.

"The biggest roadblock to the medical home model is Medicare, because they're the largest payer and they pay for episodic care," said Grundy. "All the other payers model themselves after Medicare. But I do believe that CMS wants to see this change."

Grundy said that stakeholder representatives have agreed that the principles embraced by the four primary care

physicians' professional societies broadly describe the services a medical home model should deliver to patients. They also affirmed that a medical home model could provide a more efficient and cost-effective delivery of care, especially if healthcare IT was adopted broadly.

"Today's reality is that only about 37 percent of AAFP member practices have implemented EMRs and practice management systems," said Henley. "We need to move practices to a higher level of IT adoption to improve quality and cost efficiency."