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Innovating at Jefferson: Developing the Patient-Centered Medical Home (PCMH) COST Tool

Robert D. Lieberthal, PhD
Thomas Jefferson University

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Innovating at Jefferson: Developing the Patient- Centered Medical Home (PCMH) COST tool

Rob Lieberthal, PhD

Presentation for the JSPH Faculty Research Seminar

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Objectives

- Describe the cost-collection tool we created for the PCMH model
- Propose improvements to our tool in order to enhance the response rate
- Determine our next steps in terms of research and innovation for PCMH at Jefferson

Patient-Centered Medical Home

- A leading model of primary care reform that helps shift primary care from reactive, episodic care to proactive, population health management
- Can be viewed as a solitary practice or a complement to accountable care organizations (ACOs)
- Has demonstrated improvements in quality
 - Remains a work in progress
- Cost remains an open question

Recent studies have found mixed evidence about costs of PCMH

- A PCMH literature review by Jackson et al 2013 found 14 studies that reported economic outcomes
- Hoff et al 2012 included 12 economic studies (“Efficiency”, “Cost Control”, “Cost Savings”, “Utilization”)
- Friedberg et al 2014 found no statistically significant changes in utilization or costs of care due to PCMH
- van Hasselt et al 2014 found lower total cost of care among Medicare beneficiaries due to PCMH

Small practices and the operating costs of transformation

- Smaller practices represent a large proportion of primary care in the US
- Many of the costs of practice transformation are upfront fixed costs
- Smaller practices in particular may not have the economies of scale or resources to absorb these costs

Estimating the operational costs of PCMH—Valko et al (AHRQ R03)

PCMH Activity Pillar

- One or more NCQA recognition criteria

NCQA Application Process

- Time spent completing application + cost of application + cost of maintaining recognition

Practice Culture Costs

- Cost of staff dissatisfaction + cost of disruption - cost offsets

How a tool can get at these costs

- Collect point in time clinical data (survey and interview)
- Collect data using clinical activities (structured tool)
 - Over time
 - Additional characteristics of practices and population
- Use this data to impute cost of transforming, sustaining, and overall

Navigation sheet--start here

Worksheets within this spreadsheet	Sheet type	Complete / Incomplete
<u>Cl - Classifying the practice</u>	Input--Core	Incomplete
<u>Si - Practice size</u>	Input--Core	Incomplete
<u>Pt - Patient panel</u>	Input--Core	Incomplete
<u>F - Financial scope</u>	Input--Core	Incomplete
<u>Py - Payment arrangements</u>	Input--Core	Incomplete
<u>1 - Access and Continuity</u>	Input--Core	Incomplete
<u>2 - Identify and Manage Populat</u>	Input--Core	Incomplete
<u>3 - Plan and Manage Care</u>	Input--Core	Incomplete
<u>4 - Provide self care support</u>	Input--Core	Incomplete
<u>5 - Track and coordinate care</u>	Input--Core	Incomplete
<u>6 - Measure and improve perform</u>	Input--Core	Incomplete
<u>Sp - Space tasks</u>	Input--Core	Incomplete
<u>E - Equipment tasks</u>	Input--Core	Incomplete
<u>Ph - Physician tasks</u>	Input--If applicable	Incomplete
<u>Nu - Nurse care manager tasks</u>	Input--If applicable	Incomplete
<u>MA - Clinical staff tasks</u>	Input--If applicable	Incomplete
<u>Q - Quality tasks</u>	Input--Core	Incomplete
<u>Tr - Training tasks</u>	Input--Core	Incomplete
<u>Co - Collaborations and outside programs</u>	Input--Core	Incomplete
<u>Pr - Practice culture</u>	Input--Core	Incomplete
<u>Ce - Certification costs</u>	Input--Core	Incomplete
<u>Su - Sustain costs</u>	Calculated	N/A
<u>TC - Transf costs</u>	Calculated	N/A
<u>To - Total costs</u>	Calculated	N/A
<u>DD - Drop down menus</u>	Background	N/A

Front page of the COST Tool

It's an Excel spreadsheet

Major issue—low response rate

- Only 3 out of 11 practices in our study completed and returned the tool
- 3 other practices completed a much simpler version of their costs
- Possible explanation: time? priorities? financial sophistication?

Potential solution—capture the value of such a tool in the marketplace

- External providers—small practices that want to prospectively or retrospectively assess these costs
- External training—professional societies, recognition bodies, and pharmaceutical companies all offer PCMH training
- Internal providers—switch to PCMH may be a key part of the JeffCARE network and PA ACO i.e. a service Jefferson offers to affiliated providers

Potential solution—much simpler tool

- A much simpler tool could be the way to raise the response rate
- Think about an app with five-six questions
- The app tells you what PCMH will cost
- Drawbacks
 - Would this generate enough data for research?
 - Would this app have a substantial value?

Potential solution—large grant

- An R01 would provide more funding for a longer period
- Practices could be enrolled prospectively before transformation
- An research coordinator could go to practices to collect data on costs and satisfaction on a monthly basis
- We would enroll control groups—1) previously transformed practices, 2) those that never transform

Questions

- What problems are we likely to run into with these approaches?
- Would one approach be superior? Why do you think so?
- How can we best move forward with our PCMH work?

Take away

- Smaller practices need the most help estimating costs
- Smaller practices have the least resources to devote to cost analysis
- We will seek new methods to investigate these issues in future research
- Contact me if you have questions, ideas, or suggestions (robert.lieberthal@jefferson.edu)

Backup slides

Small practices and financial characteristics

Practice Characteristics	Proportion of Practices
NCQA recognition (2011)	
Level I	3 out of 11
Level II	3 out of 11
Level III	5 out of 11
Financial affiliation	
Independent	6 out of 11
Academic medical center	2 out of 11
Another organization (FQHC grantee)	3 out of 11
Primary type of insurance	
Medicare / Managed Medicare	3 out of 11
Medicaid / Managed Medicaid	2 out of 11
Private (commercial) insurance	5 out of 11
Uninsured	1 out of 11

Small practices: financial burden of PCMH

Practice Responses	Proportion of Practices
Do you think you could have transformed to a PCMH without the Chronic Care Initiative?	
Yes	1 out of 11
No	8 out of 9
Major Unforeseen Costs	
New Staff Hires	5 out of 11
EMR and/or Software	6 out of 11
New Technology	5 out of 11
Training Existing Staff	6 out of 11
Reimbursement or Financing Concerns	3 out of 11

Specific aims for a large grant

- Aim 1: Match a cohort of practices that will transform into patient-centered medical homes (PCMHs) with a control group of conventional practices and a control group of practices that have already transformed into PCMHs
- Aim 2: Develop and validate a tool to evaluate the direct and indirect costs of PCMH in primary care practices
- Aim 3: Characterize the direct and indirect costs of practices that transform to the cost of operating traditional primary care practices

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