MEDICARE QUALITY DEMONSTRATION FINDS VALUE IN PATIENT-CENTERED MEDICAL HOME APPROACH

Interventions by North Carolina Community Care Networks with chronically ill patients improves care, lowers costs

Raleigh, N.C. (June 2, 2015) – A recent report from Research Triangle Institute (RTI) and the Centers for Medicare & Medicaid Services (CMS) indicates substantial, statistically-significant savings for care provided to Medicare beneficiaries enrolled in North Carolina Community Care Networks (NCCCN) patient-centered medical homes.

About 9 million people in the United States are covered by both Medicare and Medicaid, primarily low-income seniors and younger people with disabilities.1 Federal and state governments spend more than $250 billion on health care benefits for this population.2 Dually-eligible individuals (those who qualify for Medicare, but whose low income make them eligible for Medicaid) have been the focus of several initiatives aimed at improving the quality and coordination of their care.

The federal report analyzes results from the Medicare Health Care Quality Demonstration, a three-year demonstration authorized under Section 646 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. More than 230 primary care practices and 790 physicians participated in the North Carolina demonstration, annually providing care to over 50,000 Medicaid and Medicare patients between 2010 and 2012.

Savings were estimated using three different methods of attributing patients to participating provider. Each method showed statistically significant cost reductions, with annualized per-capita savings estimates ranging from:

- $189 per beneficiary when attributing beneficiaries to participating primary care practices based on one-touch attribution logic; to
- $251 per beneficiary when attributing beneficiaries to primary care practices based on plurality assignment (an approach now in common use for Medicare accountable care organizations); to
- $568 per beneficiary for NCCCN-enrolled beneficiaries. For the 25,484 enrollees in this final group, estimates of total Medicare savings in the final year of the demonstration amount to $14.5 million.

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2 Dual-Eligible Beneficiaries of Medicare and Medicaid, Congressional Budget Office, 2009 figures.
The study also reported significantly lower rates of emergency department use and hospitalization compared to an out-of-state control group, and substantial cost reductions for specific subgroups of patients, such as patients with diabetes, vascular disease, or end-stage renal disease, and those in the highest 10% and 20% of risk.

“Dual eligibles are a vulnerable group, said Senior Vice President for Informatics and Evaluation Annette DuBard, MD, MPH. “Due to the prevalence of multiple chronic conditions in this population, North Carolina’s primary care medical home infrastructure is vital to providing consistent, coordinated care that drives better outcomes. This study is strong evidence that NCCCN’s medical homes approach improves care while restraining costs.”

About North Carolina Community Care Networks
NCCCN is a community-based, public-private partnership that takes a population management approach to improving health care and containing costs for North Carolina’s most vulnerable populations. NCCCN creates “medical homes” in all 100 counties for 1.4 million Medicaid beneficiaries. To learn how NCCCN saves North Carolina millions of dollars every year, visit www.CCNCcares.com. For more information, visit our website, www.communitycarenc.org.

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