

EMBARGOED UNTIL MONDAY, JANUARY 13<sup>TH</sup>, 4PM

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## New Report Finds Medical Homes Are Reducing Health Care Costs, Utilization, and Improving Health

*A review of the year's academic and industry-generated PCMH evaluations finds significant impact across a number of clinical and financial outcomes.*

(Washington, DC) – JANUARY 13, 2014 – A new **Patient-Centered Primary Care Collaborative** [analysis](#) found that the patient-centered medical home (PCMH) model is having a significant impact on reducing costs of care, unnecessary emergency department (ED) and hospital visits, as well as increasing the provision of preventive services and improving population health. Among the report's findings, approximately 60% of the PCMH evaluations reported decreases in cost of care or use of unnecessary / avoidable services, while approximately 30% reported improvements in population health.

Supported by the **Milbank Memorial Fund**, the report titled, *The Patient-Centered Medical Home's Impact on Cost & Quality: An Annual Update of the Evidence, 2012-2013*, analyzed quantitative outcomes across 20 medical home evaluations from August 2012 – 2013, including thirteen peer-review and seven industry-generated evaluations.

"The research here suggests that when fully transformed primary care practices embrace this model of care, we can expect a number of consistent, positive outcomes across a number of clinical and financial measures," said **Marci Nielsen, PhD, MPH, CEO** of the **PCPCC**. "The PCMH has undergone an impressive expansion over the last several years, reaching across all corners of the health care marketplace, from health plans to federal agencies, from employers to state Medicaid programs. As a result we are seeing an increase in the frequency and rigor of PCMH evaluations that will help us not only identify where the PCMH is succeeding, but ultimately the driving factors behind that success."

The report provides results from health plans, integrated health systems, academic medical centers, multi-payer initiatives, the US Military, and the Veterans Administration. For example, the Colorado Multi-Payer PCMH Pilot reported 15% fewer ED visits, 18% fewer inpatient admissions, improvements across all measures of diabetes care, and high levels of patient satisfaction. In addition, the Military Health System PCMH Initiative reported reductions in costs, ED, and hospital visits, and improvements in population health, prevention, access, and patient satisfaction.

"It is our hope that this report will serve as the go-to resource for all health care leaders to learn how the PCMH is improving the health care system at the patient and provider level, the practice level, and the health system level," said **Christopher Koller**, President of the Milbank Memorial Fund. "Internationally, all high-performing health care systems have a fundamental commitment to high quality primary care at their core. With the PCMH, we are learning how to build that in the US."

The report includes specific findings from each of the initiatives across eight measures, including: cost reductions, fewer ED visits, fewer inpatient admissions, fewer readmissions, improvements in population

health, improvements in access to care, increases in preventive services, and improvements in patient satisfaction.

The authors also emphasize that as private and public sector support for the PCMH continues to build, the health care sector should continue to recognize the foundational role of the PCMH in ACOs and the emerging medical neighborhood model. They state, "Most of the nation's highest-performing ACOs embrace their strong PCMH component, and for this reason many of the improvements can be attributed to PCMH-like features, including innovative approaches to care coordination, team-based care, and chronic disease management."

The report also points out that significant payment reforms are incorporating the PCMH and its key attributes, and that recent Congressional activity to repeal the Medicare Sustainable Growth Rate (SGR) will result in a major step toward moving the US health care system away from a fee-for-service (FFS) model, to one that rewards quality, efficiency, and innovation. The proposal specifically names the PCMH as a supportive framework for alternative value-based payment models that reward quality and value.

The report's findings and recommendations will be discussed during a panel discussion at The Brookings Institution in Washington, DC from 8:30 – 11:30 AM. Panelists include **Marci Nielsen**, PhD, MPH; Patient-Centered Primary Care Collaborative; **Kavita Patel, MD**, The Brookings Institution; **Christopher Koller**, The Milbank Memorial Fund; **Nwando Olayiwola, MD, MPH**, Center for Primary Care Excellence, UC San Francisco; **John Rother, JD**, National Coalition on Health Care; and **Melinda Abrams MS**, The Commonwealth Fund.

Click [here](#) to download the report.

Citation: Marci Nielsen, PhD, MPH, J, Nwando Olayiwola, MD, MPH, Paul Grundy, MD, MPH, and Kevin Grumbach, MD. (ed.) Michelle Shaljian. *The Patient-Centered Medical Home's Impact on Cost & Quality: An Annual Update of the Evidence, 2012-2013*. Patient-Centered Primary Care Collaborative (2014).

**About the Patient-Centered Primary Care Collaborative (PCPCC):** Founded in 2006, the PCPCC is dedicated to advancing an effective and efficient health care system built on a strong foundation of primary care and the patient-centered medical home (PCMH). The PCPCC achieves its mission through the work of its five Stakeholder Centers, experts and thought leaders focused on key issues of delivery reform, payment reform, patient engagement, and employer benefit redesign to drive health system transformation. For more information visit [www.pcpcc.org](http://www.pcpcc.org).

**About the Milbank Memorial Fund:** The Milbank Memorial Fund is an endowed operating foundation that works to improve health by helping decision makers in the public and private sectors acquire and use the best available evidence to inform policy for health care and population health. The Fund has engaged in nonpartisan analysis, study, research, and communication on significant issues in health policy since its inception in 1905. Its staff organizes and participates in meetings with decision makers and publishes reports, books, and *The Milbank Quarterly*, a peer-reviewed journal of population health and health policy.

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