



NEWS RELEASE

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For further information, contact:

Mary Mahon: (212) 606-3853, mm@cmwf.org
Amanda Jo Greep: (212) 606-3826, ajg@cmwf.org
Sara Knoll: (301) 652-1558

New Report: Pilot Test Shows Patient-Centered Medical Homes for Primary Care Can Reduce Hospital Admissions and Total Medical Costs

New York, NY, September 10, 2008—Geisinger Health System in Pennsylvania reduced hospital admissions by 20 percent and saved 7 percent in total medical costs by providing a patient-centered medical home (PCMH) model of care—including around-the-clock access to primary and specialty care, and physician and patient access to electronic health records (EHRs)—according to first-year results from pilot-test sites. The findings, released in the September/October issue of *Health Affairs*, provide the first evidence that the PCMH model can improve quality of care and reduce health care costs. The article also describes Geisinger Health System's efforts to redesign its care delivery infrastructure and to create incentives aligned to enhanced health care value.

“These findings point to the potential for innovative and integrated delivery systems to improve health care quality,” said Glenn Steele, M.D. CEO of the Geisinger Health System. “When hospitals, specialists, and primary care practices work together, with the support of quality improvement and innovation units and information technology systems, they gain the efficiencies and focus needed to deliver high quality care.” “This is the direction in which we need to move our fragmented, broken health care system,” said Commonwealth Fund President Karen Davis, who is a board member of the Geisinger Health System and co-authored the article, “[Continuous Innovation in Health Care: Implications of the Geisinger Experience](#),” with Geisinger’s Chief Technology and Innovation Officer Ronald Paulus, M.D., and President and CEO Glenn Steele, M.D.

The authors point to lessons from the Geisinger success that can inform national policies aimed at improving value in health care, including:

- By offering new payment schemes and incentives, such as acute episode global fees and payments for patient-centered medical homes, commercial insurers, Medicaid, and Medicare could encourage a broader array of providers to implement these improvements.
- Electronic health records are necessary but not sufficient to improve health care delivery and value; health care delivery systems need to be organized in ways that can take full advantage of the benefits of EHRs.
- Collaboration by public and private payers to align incentives which improve health care can help replicate these successes.

Geisinger’s innovations show considerable promise for improving quality and enhancing value. For their best practices and care models to spread more broadly, health policies to

align payment incentives, encourage greater organization of care delivery, and adoption of modern information technology are needed.

The Commonwealth Fund is a private foundation supporting independent research on health policy reform and a high performance health system.