



## Effects of a Medical Home and Shared Savings Intervention on Quality and Utilization of Care

### Synopsis

A group of physician practices that participated in a medical home intervention that included a shared-savings bonus program outperformed a comparison group of practices on clinical quality. Patients in the participating practices also had comparatively fewer hospital and emergency room visits.

### The Issue

The medical home model of health care delivery has been widely embraced over the past decade. Medical home interventions encourage primary care practices to adopt this model, which aims to provide accessible, well-coordinated, patient-centered care and incorporates elements like disease management, patient registries, and electronic health records. To date, efforts to measure the impact of medical home interventions on quality of care have yielded mixed results and little evidence of reduced use of services or lower costs. Many of these studies, however, were conducted relatively early on in conveners' efforts to conduct such interventions. Moreover, these undertakings were rarely paired with substantial financial incentives to control costs or utilization. Commonwealth Fund-supported researchers from RAND and Harvard University looked at whether such a pairing might yield different results. Analyzing claims data from more than 17,000 patients over a period of three years, they compared performance on measures of quality and utilization between two cohorts of practices—one participating in a shared-savings arrangement and pursuing medical home recognition from the National Committee for Quality Assurance (NCQA), and the other a comparison group that did not participate in the intervention.

### Key Findings

- By year 1 of the study, the pilot practices were outperforming comparison practices by statistically significant margins on three measures of diabetes care and on breast cancer screening. These “performance gaps” were sustained over the duration of the study and, in most cases, increased.
- Compared with the comparison group, the pilot practices had lower hospitalization rates and lower emergency room utilization rates. Again, performance gaps that emerged after year 1 increased over the course of the study.
- Patients from the pilot practices were more likely to seek primary care as opposed to specialist care. As with other scores, that difference increased by year 3.

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“The inclusion of a substantial shared savings incentive ... may have been a particularly strong motivator for practices to invest and engage more effectively in care management efforts.”

## Quality of Care Differences on Various Clinical Measures, Year Three

	Pilot practices	Comparison practices
HbA1c testing	92.1	83.9
LDL-C screening	88.1	79.6
Nephropathy monitoring	85.6	70.2
Eye examinations	51.2	39.2
Breast cancer screening	80.5	74.9

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### The Big Picture

Changing the way physicians are compensated may play an important role in determining the ultimate success or failure of group practices' efforts to change patient care, the researchers say. At the same time, having "timely data on emergency department visits and hospitalizations may encourage and enable primary care practices to contain unnecessary or avoidable utilization in these settings."

### About the Study

Researchers analyzed three years of claims data from two groups of medical practices participating in the Pennsylvania Chronic Care Initiative (PACCI). Practices in the pilot group were required to pursue NCQA recognition as a medical home and participate in a shared-savings arrangement; practices in the comparison group were not, although some did pursue NCQA recognition. Under the shared-savings arrangement, practices were eligible to receive bonuses if, in a given year, total spending on patient care was less than expected. Those bonus payments were potentially substantial, ranging from 40 percent to 50 percent of calculated savings. Practices were not penalized if total spending was equal to or greater than expected. Researchers compared the two groups on diabetes care measures and on breast and colon cancer screening, as well as on selected care utilization measures.

### The Bottom Line

Physician group practices pursuing medical home recognition while also participating in a shared-savings arrangement performed significantly better than comparison practices across a range of quality and utilization measures.

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