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TESTIMONY

Senate Committee on Public Health and Welfare
Managed Care
Wednesday, January 18, 2012

My name is Bob Williams, Executive Director of the Kansas Association of Osteopathic Medicine. Thank you for this opportunity to address the committee regarding KanCare.

Physicians have the same concerns with KanCare /Medicaid as they have with any third party program.

- Is there adequate coverage of (contemporary) procedures so physicians can prescribe an effective care plan for their patients?
- Is there adequate coverage of preventive health services?
- Is the claim filing process easy with fast turnaround time and simplified claim filing procedures ? (Constantly changing "rules" make it difficult to track/bill for covered services.)
- Will reimbursement be adequate to maintain services?
- How intrusive will the program be?

KAOM has not participated in an in-depth review of the proposal. Managed care is not a new concept, we are all familiar with how managed care works. The health care provisions in KanCare (I.E. person-centered care, pay for performance, home and community based services, health homes etc.) all hold promise for improving health outcomes and saving Medicaid dollars in the long run. However, it is important to be sensitive to the affect these changes will have on physician practices. What new demands will be placed on physicians who participate in Medicaid?

Physicians are currently overwhelmed with the retooling of their practices as a result of national health care reform. There isn't a health care organization in the United States who hasn't offered many, many continuing medical education (CME) programs over the past few years in response to the required practice changes contained in national health care reform. For example, converting to electronic health records (EHR) has been huge for the profession. Even with all of the financial support available from the federal government to assist physicians with converting to EHRs and the financial incentives available once that conversion has been made, physicians are finding it difficult to implement the required changes while maintaining an active medical practice.

Additionally, while the KanCare RFP provides for "No eligibility or provider cuts" and "Safeguards for provider reimbursement and quality...", requiring health care providers to provide more non-health care services, without adequate compensation, is tantamount to a cut in reimbursement.

While federal and state governments are "reforming" health care, there are a number of innovative programs funded by private sources which hold a great deal of promise in terms of providing optimum health care and cost savings. Chief among those programs is the Kansas Patient Centered Medical Home Initiative (KPCMHI).In 2007, KAOM, the Kansas Academy of Family Physicians (KAFP) organized the Kansas Primary Care Physician Coalition to bring the Patient Centered Medical Home concept to the attention of Kansas physicians, policy makers, and the public. The coalition was involved in developing the 2008 legislation defining a medical home in Kansas.

Under the exceptional leadership of Carolyn Gaughn, Executive Director of the Kansas Academy of Family Physicians (KAFP) , that initial coalition comprised of the Kansas Medical Society (KMS), the Kansas Chapter of American Academy of Pediatrics (KCAAP), the Kansas Chapter of the American College of Physicians (KACP), and KAOM put together a grant proposal to select eight physician led practices to serve as pilot practices in the Kansas Patient Centered Medical Home Initiative.

The goals of the Patient Centered Medical Home Initiative are to realign the health care system where:
- All people have better access to doctors
- Each person knows a primary care physician and has a team of medical professionals watching for his or her health care throughout the system
- Access is available regardless of income or insurance
- Visits to emergency rooms and complications caused by not having a doctor are reduced
- Electronic medical records are used to improve quality, safety and efficiency of health care by improving communication about and with patients.

The pilot sites receive assistance from TransforMED, an organization specializing in practice redesign, which is affiliated with the American Academy of Family Physicians. Funding for the Initiative is provided by the United Methodist Health Ministry Fund, a philanthropic organization based in Hutchinson, Kansas; Sunflower Foundation: *Health Care for Kansans*, a Topeka-based philanthropic organization with the mission to serve as a catalyst for improving the health of Kansans; and the Kansas Health Foundation, a private philanthropy dedicated to improving the health of all Kansans. In April of 2011, Blue Cross Blue Shield of Kansas pledged payer support for the 8 selected pilots.

The selected practices include the following:

- American Medical Practice of Winfield/Augusta Family Practice, PA, Winfield
- Ellsworth County Medical Center and Rural Health Clinic, Ellsworth
- Mindi S. Garner, DO., Chartered, Pittsburg
- Great Plains of Sabetha, Inc. dba Sabetha Family Practice, Sabetha
- Internal Medicine Group, PA, Lawrence
- KU Wichita Adult Medicine, University of Kansas School of Medicine-Wichita, Medical Practice Associates; Wichita
- Plainville Medical clinic, Plainville

Attached is a copy of their first 6 month Interim Grant Report.

Thank you.

Kansas PCMHI

Interim Grant Report

Lisa Roberts

Funding for this project was provided in part by the United Methodist Health Ministry Fund, a philanthropy based in Hutchinson, Kansas; Sunflower Foundation: Health Care for Kansans, a Topeka-based philanthropic organization with the mission to serve as a catalyst for improving the health of Kansans; and the Kansas Health Foundation, a private philanthropy dedicated to improving the health of all Kansans. For more information about these organizations visit: www.healthfund.org; www.sunflowerfoundation.org; and www.kansashealth.org.

Kansas Patient Centered Medical Home Initiative

Interim Grant Report (01.01.11-07.31.11)

The following is the first of six interim narrative reports detailing the activities conducted to date (01.01.11-07.31.11) related to the approved grant project scope of work:

The KPCMHI will provide education and information regarding the Patient Centered Medical Home (PCMH), and encourage practices to move to the PCMH model, thereby improving population health and clinical outcomes.

Funding is provided to support the three year Kansas Patient-Centered Medical Home Initiative, a project to advance the movement of primary are practices to the patient-centered medical home model of care. Grant funds are utilized for expenses related to provider education, public relations and marketing, and the development of pilot practice sites.

Project goal(s) and objectives

Goals

Through the initiative, the sponsoring coalition (KAOM, KAAP, KACP, KMS, and KAFP) in conjunction with the applicant organization (KAFP) outlined the following specific goals:

Provide education

1. To assist physicians and their teams to transition toward the PCMH model
2. PCMH Summit – scheduled for Sept. 10 – 11, 2010 at the Wichita Hyatt Regency Hotel
3. Open Learning Collaborative meeting – scheduled for Sept. 10 at the Wichita Hyatt Regency Hotel
4. Learning Collaborative meetings for pilot participants
5. Webinars on various topics regarding patient experience, practice organization, health information technology, quality measures and other tenets of the PCMH
6. Online Learning Offerings on various related topics such as patient experience, practice organization, health information technology, and quality measures
7. Website enhancements
8. PCMH topics will be incorporated into Annual Meetings of the medical societies involved
9. KPCMHI will work with the medical school to encourage integration of PCMH tenets into its curriculum at various levels
10. KPCMHI will work with primary care residency programs to encourage adoption of PCMH principles and to facilitate change

Provide public relations and cause-related marketing

1. To several entities including:
    a. health care providers
    b. third party payers
    c. policy makers
    d. general public (consumers of health care)
2. This will entail:
    a. Recognition of the need for culture change in physician practices, focusing especially on those with a high percentage of patients from the targeted population for the Pilot
    b. Research and planning to develop behavior change in populations targeted by the initiative, focusing especially on those in the target population for the Pilot
    c. Reframe the issue with opinion leaders, including key stakeholders and the media
3. To accomplish these goals we will conduct audience research to determine perceptions, including barriers and benefits, of the patient-centered medical home model, and develop strategic communication plans based on research, including:
    a. Key messages
    b. Recommendations about how to frame the patient-centered medical home model with the media
    c. Recommendations about delivery of messages (materials) for behavior change
    d. Recommendations for culture change activities based on social marketing concepts

PCMH Pilots

1. Kansas Medicaid PCMH Pilot: KPCMHI will work to develop criteria based upon the NCQA Model for a Kansas Medicaid PCMH Pilot that will benefit the citizens of the State of Kansas along with the Kansas Health Policy Authority, and such other third party payers as may be interested in participating. The progress made to date at the time of original grant request is outlined below:

    - KHPA submitted a proposal to the Kansas Primary Care Physicians Coalition for criteria for a Kansas Medicaid PCMH Pilot.
    - The group reviewed the criteria submitted and requested the opportunity to develop its own criteria, believing that physicians will be more likely to participate in a pilot designed by physicians.
    - A working group developed its first draft and held a conference call May 26.
    - It is based upon an approach referred to as "Kansas NCQA Light." A practice transitioning to be a Pilot practice will be on the road to NCQA recognition. The steps lead to accomplishment of items that are required by NCQA.
    - The group will revise the draft and submit it to KHPA, working with them to develop the final Kansas Medicaid Pilot Project Criteria.

- Practices involved in the pilot will likely be those with a high population of Medicaid patients.
- KPMCHI will work with KHPA to seek funding for the Kansas PCMH Pilot.

2. PCMH Pilot: There are medical practices in the state who are undertaking practice transformation on their own. Their efforts constitute an opportunity for another pilot.
   - KPCMHI will work to identify those practices.
   - KPCMHI will offer them educational opportunities
   - KPCMHI will invite these medical practices to be involved in the grant activities, and encouraged to continue with their transition.
   - KPCMHI will use health outcomes from these medical practices to educate, inform, and serve as model PCMH practices.

KAFP Input to date

KAFP provided (in kind) $8153.25 in executive hours and $1590.03 in staff hours. Office rent, electric, cable and phone totaled $1141.50 in in kind contribution for the review period. $100 was contributed toward CME accreditation application for the fall PCMH summit. Direct contributions of $1712.00 in accounting as well as $57.47 in travel expenditures were incurred and paid by KAFP during this reporting period. Total in kind contribution from the applicant organization for this reporting period total $10,984.78. Direct expenses incurred by KAFP for PCMH expenses totaled $1769.47.

Activities/Strategies

While no specific project goals were time-bound to this reporting period, the following goals were initiated or fully achieved during this time period (Jan 1 – July 31, 2011):

Goal: Organization/Infrastructure

Hired Kansas PCMHI Coordinator (01.25.11)

Goal: Provide Education

- Engage health care providers (01.01.11). Solicited practices to apply for PCMHI pilot.
- Began soliciting advisory council members to support initiative (01.25.11)
- Began strategic networking to increase awareness both inside and outside medical industry (01.25.11)
- Began engaging general public (consumers of health care) (01.25.11) through multiple online and offline communities.
- Initiated pilot application process (02.08.11) via webinar.

- Developed strategic plan around changes and opportunities with pilot programs (02.14.11)
- Selected PCMHI pilots (05.13.11)
- Learning Collaborative meetings for pilot participants (scheduled 07.22.11 and 09.30.11)
- Webinars on various topics regarding patient experience, practice organization, health information technology, quality measures and other tenets of the PCMH (Facilitated by TransforMED. Date TBD.)
- Online Learning Offerings on various related topics such as patient experience, practice organization, health information technology, and quality measures (Facilitated by TransforMED. Date TBD.)
- Website enhancements (In process. Estimated completion date 08.29.11)
- PCMH topics will be incorporated into Annual Meetings of the medical societies involved (Two speakers presented at KAFP Annual Meeting 06.11.11)
- KPCMHI will work with the medical school to encourage integration of PCMH tenets into its curriculum at various levels (In process. Goal for PCMHI Perspectives work to begin 01.11.12)
- KPCMHI will work with primary care residency programs to encourage adoption of PCMH principles and to facilitate change (In process. Residency programs will have representation on Advisory Council.)

Goal: Provide public relations and cause-related marketing

- Established social media presence on Twitter @KansasPCMH; Blogger www.kansaspcmh.blogspot.com; WordPress www.kansaspcmh.wordpress.com; and LinkedIn http://www.linkedin.com/company/kansas-patient-centered-medical-home (03.01.11)
- Presented Kansas PCMH Initiative overview at Missouri PCMH Summit (05.25.11)
- Began engaging health care payers (12.10.10- present) Blue Cross and Blue Shield of Kansas signed on as private payer to support selected pilots. Additional payers being pursued.
- Engage health care providers, third party payers, policy makers, general public (consumers of health care) through public relations and cause-related marketing. (Initiated 01.25.11. Ongoing throughout initiative.)
- Recognition of the need for culture change in physician practices, focusing especially on those with a high percentage of patients from the targeted population for the Pilot. (Led by TransforMED. Initiated 05.16.11)
- Research and planning to develop behavior change in populations targeted by the initiative, focusing especially on those in the target population for the Pilot (Led by TransforMED. Initiated 05.16.11)

- Reframe the issue with opinion leaders, including key stakeholders and the media (Initiated 01.25.11. Ongoing.)
- Conduct audience research to determine perceptions, including barriers and benefits, of the patient-centered medical home model, and develop strategic communication plans based on research, including: Key messages; Recommendations about how to frame the patient-centered medical home model with the media; Recommendations about delivery of messages (materials) for behavior change; Recommendations for culture change activities based on social marketing concepts (Initiated 01.25.11. Ongoing.)

Goal: Develop pilot practices

- The initial concept paper suggested opportunities to develop both a Medicaid based PCMH pilot program as well as an additional pilot that may be more self-directed in nature. Early in January of 2011 with announced consolidated of the Kansas Health Policy Authority with the KDHE, the pilot program was changed to pursue family practice without additional buy in from the Centers for Medicaid and Medicare.
- Engage health care providers (01.01.11). Solicited practices to apply for PCMHI pilot.
- Conducted webinar around PCMH and pilot application (02.08.11) More than 30 representative organizations registered. 21 applied for pilot consideration.
- 8 pilots were selected to participate (05.13.11)
- Press releases with substantial media coverage received (06.14.11) *Copies of coverage are included with this report.*
- Kickoff for the Pilot practices set (07.22.11)
- Kansas PCMHI initial advisory council meeting set (07.23.11)
- TransforMED (contracted technical assistance provider) set to conduct site visits (Sep 2011)

Execution

All of the above outlined goals have either been initiated, are planned, or have been executed as outlined in Section 3a.

In retrospect, pre-emptive planning for assistance to the practices that applied, but were not chosen would have been helpful.

We have experienced the ultimate "good problem to have." We made a determination to continue to support practices that had applied but were not selected into the pilot. This has required rapidly pulling together resources and resource providers than can and are willing to support what are now branded as the "health 3.0" practices. This will require additional work not originally anticipated for the PCMHI coordinator. However, it will allow the initiative to expand impact to broader populations.

Additionally, while we made an accurate bottom-line estimate (we achieved within $30.66 of our proposed first reporting period budget) we have shifted our budget to focus on more tangible deliverables that truly fulfill our mission and purpose. Consultation fees were higher than anticipated in the first reporting period as the emphasis was shifted from consulting to actual deliverables (web site, graphics, and building networks). Deposits for the second reporting period work was paid in the first reporting period thus reflecting budget variances. Training deposits were also paid in the first reporting period for training delivered in the following reporting period.

To balance cash flow needs, materials and supplies were reduced as well as travel for the first reporting period.

Stakeholders

All previously identified key stakeholders were targeted during this reporting period including: health care providers, third party payers, policy makers, and the general public (consumers of health care). Press releases, direct contact, and email to industry specific media and mass media including social media channels expanded the communication reach to numerous stakeholders. *Copies of coverage including search engine results are included in this report.*

Specifically more than 30 provider organizations attended the PCMHI pilot webinar (02.08.11). Most were classified as small family practices with less than 5 full time equivalent physicians on staff.

Multiple emails have been distributed through KAFP networks (1,560 members) and PCMHI networks. Total estimated reach unavailable.

Wichita Business Journal. With 2 articles and one advertisement Wichita Business Journal messaging reached approximately 30,000 readers per issue. Wichita Business Journal Readex Subscriber Study, 2008 report readership demographics:

- 57% hold top management positions
- 45% are owners or partners of a business
- 82% plan to use professional services in the next 12 months
- $202,000 is the average household income
- 39% have a net worth of a million or above

Lawrence Journal World. (article) Estimated Sunday circulation 19,098 with estimated readership of 39,000.
Salina Journal. (article) Daily circulation 30,000 coverage area 31 counties.
Hays Daily News. (article) Print and online. Circulation 9,644.
Kansas City Nursing News. (article) Print and online. Circulation unknown.
MD News.Com (article) Online. Readership unknown.

Many providers that were selected in the initial pilot as well as those that have chosen to proceed as a "health 3.0" practice have reported informally increased knowledge of PCMH, improved attitudes (it's doable) and have already begun to report better buy-in at their board levels.

Numerous steps have been taken to share learning and scalable outcomes. TransforMED has taken numerous baseline measurements around current processes, satisfaction levels, and health outcomes. As part of our contract with TransforMED they will continue to collect these metrics so they can be shared and utilized to replicate a successful transformation model.

Health 3.0 practices will also utilize publicly available metrics and assessments (Qualis, CAHPS, and others) to assess fiscal, operational, and outcomes based impact that can be shared and scaled.

We are very pleased to have achieved multiple successful goals in such a short period of time. We will continue to assess the quality of the initiative and make improvements where necessary.