PCMH, TCCI & The CareFirst Model: “Focus on Medication Management”

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Vice President, Public Policy

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• The largest insurer in the Mid-Atlantic region, serving 3.4 million members

• Employs about 5,000 associates and contractors in Maryland, Washington D.C., Northern Virginia, West Virginia, and North Carolina

• Has the largest provider network in the region, with more than 80 percent of the region’s health care providers participating in one or more networks

• Launched the nation’s largest Patient-Centered Medical Home (PCMH) program of its kind

• Awarded a Health Care Innovation Award from the CMS Innovation Center to include Medicare beneficiaries
PCMH Program Supported by TCCI Elements

Patient Centered Medical Home Program (PCMH)

- Hospital Transition of Care Program (HTC)
- Home Based Services Program (HBS)
- Pharmacy Coordination Program (RxP)
- Urgent Care & Convenience Access Program (UCA)
- Complex Case Management Program (CCM)
- Enhanced Monitoring Program (EMP)
- Expert Consult Program (ECP)
- Centers of Distinction Program (CDP)
- Chronic Care Coordination Program (CCC)
- Comprehensive Medication Review (CMR)
- Community-Based Programs (CBP)
- Substance Abuse and Behavioral Health Program (SBH)
Partnering with Providers to Support Population Health Management

• Team-based primary care panel approach
  – Over 400 panels comprised of nearly 1,200 practices & 4,000 primary care providers
  – Each panel has about 2,500 members

• Providers earn Outcome Incentive Awards for beating a global budget and meeting quality measure targets

• Key Program Elements:
  – Care Coordination Teams, including local pharmacists for consultation
  – Comprehensive Care Planning directed by PCPs
  – Web-based connectivity and analytics tools
Distribution of Medical Spending – PCP Accountability for the Whole Patient and the Whole Medical Dollar

Primary Care Physician, 6.4%
Specialists, 27.0%
Inpatient, 22.4%
Outpatient, 19.9%
Pharmacy, 23.5%
SNF/Hospice 0.6%
Home Care, 0.2%

*Medical spending is based on 2011 CareFirst Book of Business. The Pharmacy % is adjusted to represent typical spend for members with CareFirst’s pharmacy benefit.
78% of admissions were for members in bands 1 and 2

Source: CareFirst HealthCare Analytics – 2012 Data
Patient Care Account – A Scorekeeping System for Global Cost

**Patient Care Account**

<table>
<thead>
<tr>
<th>Debits</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>All services paid by CareFirst (Allowed Amount)</td>
<td>All global CareFirst projected care costs expressed as a PMPM</td>
</tr>
</tbody>
</table>

$10.0M  Base Year Costs (2010) 1.19 IB Score for 3,000 members  
× 1.075  Overall Medical Trend  
× 1.256  Illness Burden Adjustment 2011 vs 2010 (1.49/1.19)  
$13.5M  Performance Year Target (2011) or $375 PMPM for 3,000 members
## Patient Care Account – One Patient

### Mary Smith – One Member for 2011

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/4/2011</td>
<td>Primary Care Visit</td>
<td>$50</td>
</tr>
<tr>
<td>1/4/2011</td>
<td>Vaccination</td>
<td>$4</td>
</tr>
<tr>
<td>1/7/2011</td>
<td>Pharmacy Fill</td>
<td>$120</td>
</tr>
<tr>
<td>2/4/2011</td>
<td>ER Visit</td>
<td>$125</td>
</tr>
<tr>
<td>2/4/2011</td>
<td>ER Treatment</td>
<td>$300</td>
</tr>
<tr>
<td>3/6/2011</td>
<td>Ophthalmologist Visit</td>
<td>$127</td>
</tr>
<tr>
<td>4/22/2011</td>
<td>Orthopedic Visit</td>
<td>$257</td>
</tr>
<tr>
<td>4/25/2011</td>
<td>Pharmacy Fill</td>
<td>$120</td>
</tr>
<tr>
<td>4/25/2011</td>
<td>Physical Therapy</td>
<td>$22</td>
</tr>
<tr>
<td>5/5/2011</td>
<td>Physical Therapy</td>
<td>$22</td>
</tr>
<tr>
<td>7/10/2011</td>
<td>Pharmacy Fill</td>
<td>$120</td>
</tr>
<tr>
<td>8/4/2011</td>
<td>Primary Care Visit</td>
<td>$50</td>
</tr>
<tr>
<td>8/22/2011</td>
<td>Dermatologist Visit</td>
<td>$300</td>
</tr>
<tr>
<td>8/23/2011</td>
<td>Pathology Test</td>
<td>$50</td>
</tr>
<tr>
<td>9/22/2011</td>
<td>Dermatologist Visit</td>
<td>$100</td>
</tr>
<tr>
<td>9/22/2011</td>
<td>Cardiologist Visit</td>
<td>$554</td>
</tr>
<tr>
<td>10/15/2011</td>
<td>Outpatient Hospital Visit</td>
<td>$1,325</td>
</tr>
</tbody>
</table>

**Total Debits:** $3,646  
**Total Credits:** $4,500

$13,500,000 per year in global cost, divided by 3,000 members, divided by 12 months = $375 PMPM
## Patient Care Account – One Panel for One Year

### XYZ Family Practice Group (10 PCPs)

<table>
<thead>
<tr>
<th>Debits</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Care</td>
<td>Mary Smith</td>
</tr>
<tr>
<td>$774,060</td>
<td>$4,500</td>
</tr>
<tr>
<td>Inpatient Care</td>
<td>John Doe</td>
</tr>
<tr>
<td>$2,967,230</td>
<td>$4,500</td>
</tr>
<tr>
<td>Outpatient Care</td>
<td>Jane Richards</td>
</tr>
<tr>
<td>$3,354,260</td>
<td>$4,500</td>
</tr>
<tr>
<td>Specialist Care</td>
<td>Bob Jones</td>
</tr>
<tr>
<td>$2,451,190</td>
<td>$4,500</td>
</tr>
<tr>
<td>Ancillary Care</td>
<td>Steve Patel</td>
</tr>
<tr>
<td>$1,290,100</td>
<td>$4,500</td>
</tr>
<tr>
<td>Prescription Drugs</td>
<td></td>
</tr>
<tr>
<td>$2,064,160</td>
<td></td>
</tr>
</tbody>
</table>

List of Members continues to a total of 3,000 attributed to this panel.

**Savings From Expected Cost: $716,000**

- **Total Debits:** $12,901,000
- **Total Credits:** $13,500,000

Claims in excess of $75,000: ($117,000)

Net Debits: $12,784,000

**Note:** Insured stop loss protection will only reflect the first $75,000 plus 20% of claims dollars above that, per member, per year.
# Measuring Quality of Care

## Degree of Engagement
- Possible Points: 30 Points
- Engagement Metric:
  - 4.0 Engagement with the Program
  - 10.0 Engagement with Care Planning
  - 8.0 Member Survey Results
  - 4.0 Participation in Panel Meetings
  - 4.0 Views of SearchLight® Reports

## Appropriateness of Use
- Possible Points: 20 Points
- Appropriateness Metric:
  - 8.0 Admissions: Preventable Admissions (ARHQ), Potentially Preventable Readmissions, Rate of Use of Specialty Medical Home, Admissions Composite
  - 4.0 Potentially Preventable Emergency Room Use
  - 8.0 Ambulatory, Diagnostic, Imaging and Antibiotics

## Effectiveness of Care
- Possible Points: 20 Points
- Effectiveness Metric:
  - 10.0 Chronic Care Maintenance (Diabetes, Asthma, CHF, CAD, MI, Depression)
  - 10.0 Population Health Measures (Screenings, Immunizations)

## Patient Access
- Possible Points: 20 Points
- Access Metric:
  - 5.0 Use of E-Scheduling
  - 5.0 Use of E-Visits
  - 5.0 Extended Office Hours
  - 5.0 Patient Office Experience (e.g. Wait Times)

## Structural Capabilities
- Possible Points: 10 Points
- Structural Metric:
  - 2.5 Use of e-Prescribing
  - 2.5 Electronic Medical Records Meaningful Use
  - 2.5 Use of E-mail
  - 2.5 External Certification
Outcome Incentive Awards (OIA) – The Key Incentive Feature

- Cost savings must be achieved for a Panel to be eligible for an OIA
- Minimum Quality Score of 20 points must be achieved
- A certain “Degree of PCP Engagement” is needed for OIA award
- OIA Awards Increase
  - As the Size of the Panel membership goes up (more credible result)
  - With consistency of “wins” over time
  - The OIA fosters a continuous quality improvement mentality – beat your own history trended with no rebasing
  - Huge leveraging built in: portion of savings on global medical spend translate to big wins for a 6% participant (PCP)
Outcome Incentive Awards: Quality & Savings Combined

- Outcome Incentive Awards are based on each Panel’s overall performance as measured by quality and cost indicators for their whole patient population.
- Degree of savings and degree of quality attainment intersect on a grid.
- The higher the point of intersection, the greater the reward — expressed in fee supplement shown (i.e., 60 quality points at 6% savings equals a supplemental fee of 34% to the PCP’s in the Panel).
- Multi-year performance at high levels increases fee supplement — rewarding consistent performance over an extended period of time.
### Outcome Incentive Award Quality / Cost Relationship

#### Outcome Incentive Award for a Panel with 3,000 Members

<table>
<thead>
<tr>
<th>QUALITY SCORE</th>
<th>SAVINGS LEVELS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>80</td>
<td>67</td>
</tr>
<tr>
<td>60</td>
<td>56</td>
</tr>
<tr>
<td>40</td>
<td>46</td>
</tr>
<tr>
<td>20</td>
<td>36</td>
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</table>

**PCP PERCENTAGE POINT FEE INCREASE: YEAR 2**

<table>
<thead>
<tr>
<th>QUALITY SCORE</th>
<th>SAVINGS LEVELS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>80</td>
<td>77</td>
</tr>
<tr>
<td>60</td>
<td>65</td>
</tr>
<tr>
<td>40</td>
<td>53</td>
</tr>
<tr>
<td>20</td>
<td>41</td>
</tr>
</tbody>
</table>

**PCP PERCENTAGE POINT FEE INCREASE: YEAR 3**

<table>
<thead>
<tr>
<th>QUALITY SCORE</th>
<th>SAVINGS LEVELS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>80</td>
<td>90</td>
</tr>
<tr>
<td>60</td>
<td>76</td>
</tr>
<tr>
<td>40</td>
<td>62</td>
</tr>
<tr>
<td>20</td>
<td>48</td>
</tr>
</tbody>
</table>
iCentric: Essential Online Integration of All Elements & Programs

- Home Based Services
- Enhanced Monitoring
- Pharmacy Coordination
- Comprehensive Medication Review
- Hospital Transitions of Care
- Other TCCI Services

Physician Office

Case Manager

Local Care Coordinator

iCentric Hub
Focus on Prescription Medications

- Prescription drugs are the most frequent reason members interact with their health insurance.
- Pharmacy claims are a key source of valuable and timely clinical information, providing a wealth of information we use to improve care.
- Medications have increased in effectiveness over the last 20 years, and will continue to increase in importance.
- We know average compliance rate is 50% or less, and associated with poorer outcomes and increased medical care costs.
- CareFirst’s own studies show that non-compliant members with blood pressure medications generate 31% higher medical cost.
- Referral for Comprehensive Medication Review:
  - Each Panel’s Top 50 Members in # of Prescriptions
  - Each Panel’s Top 50 Members in Spending on Prescriptions
  - Each Panel’s Top 50 Members in Highest Drug Volatility Range
  - Referrals generated by PCPs, LCCs, CCMs or key partners
Drug Volatility Index

- A CareFirst innovation
- Identify Members taking medications with a high level of side effects, drug interactions, or complex regimens that contribute to non-compliance.
  - HIV, mental health drugs, Hepatitis C, transplant drugs, blood thinners
- Drug Volatility Score is communicated to the PCP and pharmacist to help prioritize patients
- Drug Volatility Score is communicated to the physician on the MHR and in SearchLight reports for special attention

Drug Volatility Continuum

1.0
Stable with little if any complications

10.0
Likely breakdowns
### Member Health Record - Timeline

**Period:** Aug 2011 - Jul 2012  
**Member Since:** April 2004

#### Episode Duration

<table>
<thead>
<tr>
<th>Episode</th>
<th>% of Total</th>
<th>Jul 12</th>
<th>Jun 12</th>
<th>May 12</th>
<th>Apr 12</th>
<th>Mar 12</th>
<th>Feb 12</th>
<th>Jan 12</th>
<th>Dec 11</th>
<th>Nov 11</th>
<th>Oct 11</th>
<th>Sep 11</th>
<th>Aug 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eye Disorders, Degenerative</td>
<td>52%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Epileptic Seizures</td>
<td>28%</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td></td>
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</tr>
<tr>
<td>Acne, Nutritional</td>
<td>14%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>3</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Preventative &amp; Development</td>
<td>3%</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Cancer - Lymphoma</td>
<td>2%</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
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</tr>
<tr>
<td>Hypertension, Essential</td>
<td>1%</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>EOT Chorioretinitis, NEC</td>
<td>1%</td>
<td>1</td>
<td>1</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**NOTE:** Shading indicates episode duration. Count indicates number of visits during the period.

#### Prescription Drugs

<table>
<thead>
<tr>
<th>Drug Name</th>
<th>Therapeutic Class</th>
<th>Jul 12</th>
<th>Jun 12</th>
<th>May 12</th>
<th>Apr 12</th>
<th>Mar 12</th>
<th>Feb 12</th>
<th>Jan 12</th>
<th>Dec 11</th>
<th>Nov 11</th>
<th>Oct 11</th>
<th>Sep 11</th>
<th>Aug 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>PREDNISOLONE ACETATE</td>
<td>Anti-Inflammatory, Glucocorticoids</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MGAMOX</td>
<td>Ophthamol: Antibacterial</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>ERYTHROMYCIN MT</td>
<td>Oral Antibiotic, Antiseptic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30d</td>
<td>30d</td>
<td>30d</td>
<td>30d</td>
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</tr>
<tr>
<td>Other</td>
<td>Other</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>LAMINOPHYLLINE</td>
<td>Anti-Angiogenic, Antianxiety</td>
<td>90d</td>
<td>90d</td>
<td>90d</td>
<td>90d</td>
<td>90d</td>
<td>90d</td>
<td>90d</td>
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<td>90d</td>
<td>90d</td>
<td>90d</td>
<td>90d</td>
</tr>
</tbody>
</table>

**NOTE:** Products are grouped by therapeutic class. Not a complete list. Click the Green icon to view additional Drug Advisory information for particular Drug name.

#### Health Care Spend

- **Year to Date:** $8,025  
- **Trailing 12 Months:** $9,622

#### Health Scores

- **Drug Violatility Score:** NA  
- **ACE Score:** NA  
- **LACE Score:** NA

#### Member Alerts/History

**Date** | **Type** | **Facility**
--- | --- | ---
No alerts found.
# Drug Advisory Icons and Drug Volatility Score

## Prescription Drugs

<table>
<thead>
<tr>
<th>Drug Name</th>
<th>Therapeutic Class</th>
<th>Jul 12</th>
<th>Jun 12</th>
<th>May 12</th>
<th>Apr 12</th>
<th>Mar 12</th>
<th>Feb 12</th>
<th>Jan 12</th>
<th>Dec 11</th>
<th>Nov 11</th>
<th>Oct 11</th>
<th>Sep 11</th>
<th>Aug 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prednisolone Acetate</td>
<td>Ophthalmic - Anti-inflammatory, Glucocorticoids</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16d</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vigamox</td>
<td>Ophthalmic - Antibacterial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10d</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Glyburide-Metformin HCL</td>
<td>Oral Antidiabetic Agents</td>
<td>30d</td>
<td>30d</td>
<td>30d</td>
<td>30d</td>
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<td></td>
<td>30d</td>
<td>30d</td>
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<td></td>
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<tr>
<td>Other</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>27d</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Lisinopril-Hydrochlorothiazide</td>
<td>Renin-Angiotensin-Aldosterone System (RAAS) Blocking Agents</td>
<td>90d</td>
<td>30d</td>
<td>90d</td>
<td>90d</td>
<td>90d</td>
<td>90d</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** Products are grouped by therapeutic class. Not a complete list. Click the Green Icon to view additional Drug Advisory information for particular Drug name.

**Health Scores**
- Drug Volatility Score: **5**
- ACE Score: **N/A**
- LACE Score: **N/A**

**Member Alert History**
- No alerts found.
Focus on Prescription Medications

• Pharmacists and appropriate medication use essential to achieving quality outcomes and medical cost reduction
• Physicians need and appreciate the help as the number and complexity of medications increase
• The Member’s medications are thoroughly reviewed, often by their local pharmacist
• Medications are reviewed for correctness of dosages, appropriateness, interactions, potential side effects and potential gaps in care
• As needed and in cooperation with the prescriber, the medication regimens are “tuned up”
• Follow-up is provided as needed to provide additional education and assure continued adherence
Measuring Overall Medical Trend

Overall Medical Trend, Pre-PCMH Program

Overall Medical Trend

- 2006: 6.9%
- 2007: 5.9%
- 2008: 6.5%
- 2009: 6.6%
- 2010: 3.6%
- 2011: 7.5%
Program Results Have Been Encouraging

Overall Medical Trend

6.9% 5.9% 6.5% 6.6% 7.5% 6.5% 5.5% 3.0%
Program Results Have Been Encouraging

Overall Medical Trend

PCMH Actual
Program Results Have Been Encouraging

Overall Medical Trend

PCMH Actual

"Winning" Panels
Program Results Have Been Encouraging

- "Non-winning" Panels
- Overall Medical Trend
- PCMH Actual

Yearly Medical Trend Percentage:
- 2006: 6.9%
- 2007: 5.9%
- 2008: 6.5%
- 2009: 6.6%
- 2010: 3.6%
- 2011: 7.5%
- 2012: 6.5%
- 2013P: 5.5%
- 2014P: 3.0%

Yearly "Winning" Panels:
- 2006: 3.0%
- 2007: 1.5%
- 2008: 1.2%
- 2009: 6.9%
- 2010: 6.6%
- 2011: 7.5%
- 2012: 6.5%
- 2013P: 5.5%
- 2014P: 3.2%
Winning Panels Outperform Non-Winners by a Substantial Margin

• 2011: Winners beat trend by 4.2%, non-winners above trend by 4.0%

• 2012: Winners beat trend by 4.7%, non-winners above trend by 3.6%

• 2013: Winners beat trend by 6.3%, non-winners above trend by 3.9%
Improvements in Key Measures

Performance on PCMH Measures that Matter vs. Non-PCMH PCPs
30 Months Ending December 2013
Pharmacy Specific Results

- Nearly $5 million dollars in overall healthcare savings (estimated cost avoidance model) have been achieved through the MTM program in the first 3 quarters of 2013, with over $2 million in drug product costs saved.

- Over 35,000 MTM services were provided in the first 9 months of 2013, with over 8,000 interventions focused on medication adherence issues.

- Pharmacists and prescribers worked collaboratively to resolve over 5,000 drug therapy problems, resulting in significant changes in therapy to optimize medication regimens.
Future Innovations & Discussion