



Health Centers and Health Care Reform: ACCOUNTABLE CARE ORGANIZATIONS AND MEDICAL HOMES

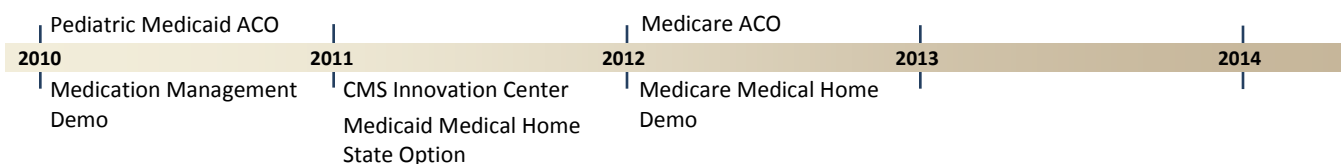
The Reconciliation Act of 2010 makes changes to Patient Protection and Affordable Care Act (PPACA). Together, the Reconciliation Act and PPACA are considered the final health care reform package.

The new reform health law includes several new programs and demonstration projects to promote patient-centered, quality, primary care delivery in a medical home setting, with the potential to significantly and immediately impact the organization, structure and function of the health care delivery system. Community health centers understand and operate within these models of care and many of these new programs could greatly benefit health center patients and health centers that are able and willing to participate.

ACCOUNTABLE CARE ORGANIZATIONS

Under the new law groups of providers who voluntarily meet certain criteria including quality measurements may form Accountable Care Organizations (ACOs) and share in the cost savings they achieve for the Medicare and Medicaid programs. An ACO is a provider-led organization whose members engage in joint decision-making, and that manages the full continuum of care and is held accountable for the overall costs and quality of care for a defined population. ACOs can come in many forms and sizes – from large, integrated delivery systems to physician-hospital groups, multispecialty practice groups, group physician practices and health center networks.

Starting in 2010, a pediatric Medicaid demonstration is created, under which certain pediatric providers would be eligible to receive incentive payments based on quality and cost savings. Beginning in 2012, Medicare providers in qualified, eligible ACOs with at least 5,000 enrolled Medicare beneficiaries can receive an incentive payment based on meeting quality targets, and the savings they realize for the Medicare program.



MEDICAL HOME DEMONSTRATION PROJECTS

The health reform package also includes several medical home demonstration projects designed to create and reinforce a strong primary care foundation for the health care delivery system. The new law will create the following patient-centered medical home demos:

- **Grants for medication management services** provided by pharmacists to treat patients with multiple chronic diseases and those who take several, or high-risk, prescribed medications.
- **Grants to states to establish community health teams** working in collaboration with providers in the community to support primary care physicians, with capitated payments to qualified primary care providers.
- **Creates a Medicaid State Plan Option** with an enhanced FMAP to promote health homes and integrated care. Under this option enrollees with two chronic conditions can designate a qualified provider as their health home. Teams of qualified providers can be community health centers, among other provider groups.
- **Establishes a Medicare demonstration program** to test a model of care that uses physician and nurse practitioner directed home-based primary care teams. Provides an incentive payment to qualified groups of providers who come in under target spending levels.
- **Establishes a new CMS Innovation Center** to test innovative payment and service delivery models, reduce health care costs and enhance quality.

