



# Media Release

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## **Patient Centered Medical Homes improving Arkansans' health, transforming Medicaid**

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Over the last 20 years, primary care has been challenged by relatively low reimbursements and high patient volumes, particularly in rural practices. Payments to physicians rewarded acute-care visits at the expense of preventive services and chronic disease management. It has been difficult to invest in new technology or alternative practice management strategies. As a consequence, it became increasingly difficult to attract young physicians into primary care, especially in rural counties that had workforce shortages.

In 2013, state Medicaid planned, with the advice of physicians throughout the state, a new initiative as part of payment reform to revitalize primary care and improve services in our community. It is called the patient centered medical home program (PCMH). Modeled in part on a Medicare initiative that attracted 69 practices in our state, Medicaid expanded the medical home concept to include pediatrics and practices not selected for the Medicare program. More than 140 primary care practices, the majority in rural settings, have signed on and care for more than 70 percent of eligible Medicaid patients.

By offering a risk-adjusted per-member, per-month payment, Medicaid invested in practice transformation. This new money requires practices manage a patient's overall health and coordinate a patient's care, to be accountable for embracing chronic and preventive disease services. This program requires practices to identify their top 10 percent most complex patients for specific attention, such as updated care plans and twice yearly visits. Moreover, Medicaid expected all enrolled practices to provide 24-hour-a-day, seven-days-a-week live voice coverage of the clinic for greater patient access to medical advice and counsel. We developed report cards available on the web to let practices track clinical quality and their total cost of care. Finally, if practices

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could meet these new expectations, they would be eligible for shared savings if they could demonstrate good stewardship and be effective managers of the risk-adjusted total cost of care of their patient population.

This initiative represented a fairly bold and transformative opportunity as well as a challenge to the status quo. At the start of 2014, voluntary enrollment exceeded expectations. These practices had to meet six-month performance metrics to demonstrate a commitment to transforming into an effective medical home. Our program offered coaching and outreach activities as well as on-site validation that practice attained program benchmarks. We are pleased to report that nearly all practices have made conscientious efforts to meet these goals. As a result, physicians are reporting that their patients have been able to better control diabetes and asthma and have gone to emergency rooms less often. When patients do end up in the hospital, some medical homes have reported fewer hospital re-admissions upon discharge.

The program is even having a positive impact on clinic staff. Some clinics reported a boost in morale, and employees report patients are more engaged in their care.

While the results of 2014 are still being collected in terms of practice performance and shared savings opportunities, Medicaid has just completed a successful reenrollment effort that attracted new practice sites and retained current participants for 2015. Qualified health plans, commercial payer Arkansas Blue Cross and Blue Shield, and self-insured entities such as Walmart see merit in this concept and are now offering their own per-member, per-month financial support. This means even more financial support resulting in even stronger primary care in Arkansas.

We've been pleased with the response of the Arkansas primary care community to this opportunity and their engagement in practice transformation. This new infusion of practice support dollars has already paid dividends in terms of better patient care processes to improve access and coordination of patients with chronic disease. We are cautiously optimistic that this new practice style will prove attractive to younger physicians and revitalize primary care in our rural communities.

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