

# Medical home intervention with shared savings shows quality and utilization improvements

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A three-year study of a 'medical home' intervention that paid bonuses to physician practices based on financial savings has shown significant improvements in quality and use of some medical services relative to comparison practices, according to a new RAND Corporation study.

The study is the first published evaluation of a multipayer medical home intervention that featured shared savings for primary care practices. The results appear in the June 1 edition of *JAMA Internal Medicine*.

By paying bonuses to participating practices based on reaching quality and spending benchmarks, the shared savings contracts created direct financial incentives to contain the costs and utilization of care without compromising the quality of care. The intervention also helped practices develop care management systems, and health plans gave participating practices timely data on their patients' use of hospitals and emergency departments.

'These findings suggest that by directly motivating and supporting efforts by primary care practices to manage a patient's journey throughout the [health care system](#), medical home interventions can reduce the use of hospital and emergency care,' said Dr. Mark W. Friedberg, the study's lead author and a senior natural scientist at RAND, a nonprofit research organization. 'The ingredients of the intervention we studied could enhance the effectiveness of other efforts to advance primary care.'

The research team analyzed information about 17,363 patients from 27 pilot and 29 comparison practices in the northeast region of the Pennsylvania Chronic Care Initiative. The pilot practices were required to receive recognition by the National Committee for Quality Assurance as

medical homes, but did not receive payment for doing so.

Relative to comparison practices, pilot practices had statistically significantly better changes in performance on four measures of [diabetes care](#) and breast cancer screening. In addition, the pilot practices had lower rates of hospitalizations, lower rates of emergency department visits, lower rates of ambulatory care-sensitive emergency department visits, lower rates of outpatient visits to specialists, and higher rates of outpatient primary care visits.

Medical homes are primary care practices that are designed to provide comprehensive, patient-centered care involving a wide range of medical professionals, including physicians, nurse practitioners, nutritionists, pharmacists, social workers and care managers.

'The early evidence on [medical home](#) interventions has been mixed, but we expected a period of fine tuning. The results from this study demonstrate that with the right incentives, effective [primary care](#) can help patients avoid care they may not want or need,' said Dr. Eric C. Schneider, the senior author of the study and senior vice president for policy and research at The Commonwealth Fund. 'This learning curve will continue as we gain more experience and as payment increasingly rewards high-value care.'

Provided by RAND Corporation

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