AHCCCS Payment Modernization
Blog # 5

Medicaid Concierge Medicine?

January 15, 2015

In response to frustrations with fee for service medicine, increasing numbers of primary care physicians have opted to provide care to their patients through an arrangement commonly referred to as concierge medicine in which the patient pays a significant [$1000-$2000] annual retainer. In return, the physician agrees to virtually unlimited access and time with patients, and limiting the number of patients in their practice.

A variation of the concept referred to as "direct primary care" has been attracting notice and more physicians [6% of primary care physicians nationally]. Instead of a significant annual retainer, payment is made on a monthly basis. For example Amazon pays $54-$94 per month for its employees who are enrolled in direct care, depending on age. Patients have all their primary care needs met including care management and coordination, 24/7 physician access, basic lab tests included, and medications at wholesale cost. As explained in a recent Time magazine article

> *Primary care should be paid for directly, because that's the easiest and most efficient way to purchase a service that everyone should be buying and using. By contrast, specialty care and hospitalizations–which would be covered by traditional insurance–are expenses we all prefer to avoid. Car insurance doesn't cover oil changes, and homeowners' insurance doesn't cover house paint. So why should insurance pay for your annual checkup or your kid's strep swab?*

Cigna has designed new employee health plans incorporating the direct care model. At a direct primary care practice in Seattle called Qliance, employers such as Expedia have opted to pay a fixed per person monthly fee while maintaining a separate health plan for specialists and hospital care. Now the multi-location practice has added Washington **Medicaid** patients to their panel. According to the CEO of Centene in Washington

> *"We already have evidence to show us that they are doing a good job." Confident that the direct-primary-care model has legs, Centene has joined the growing roster of Qliance investors.*

Analysis in a recent Heritage Foundation report asserts that with supportive public policy, direct primary care can address several concerns, including access to primary care, lack of time primary care providers can spend with patients, reduction of administrative burden, physician burnout, and the ability to better manage chronic disease. Among other recommendations, the report calls on Congress to support direct primary care as an option for **Medicaid** and Medicare.

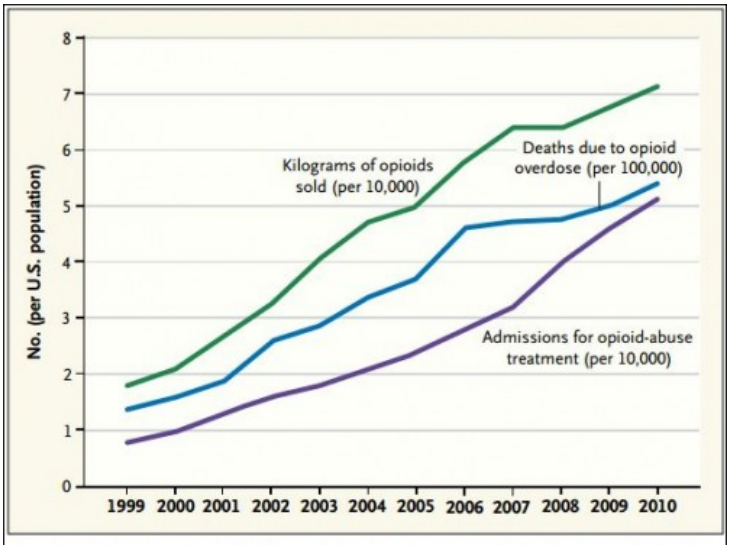
Patients receive increased access to their physicians, more of their physicians' attention, and the benefits of more preventive, comprehensive, coordinated care.

A 2012 study compared hospital utilization of members enrolled in direct primary care [in 2010] with traditional practices and found significantly lower rates for those in direct care practices. Annual per capita spending was reduced $2551. Recently, the state of Washington [through its two Democratic Senators] requested federal authorization to offer direct primary care in conjunction with qualified high deductible health plans. So, Democratic senators support the direct primary care model for **QHP**s and the Heritage Foundation supports it for **Medicaid**.

Opioid Crisis

January 15, 2015

Opioid addiction has deservedly received much media attention recently. However, as this graph shows, the crisis has been building for many years.



Opioid Sales, Admissions for Opioid-Abuse Treatment, and Deaths Due to Opioid Overdose in the United States, 1999–2010.

Data are from the National Vital Statistics System of the Centers for Disease Control and Prevention, the Treatment Episode Data Set of the Substance Abuse and Mental Health Services Administration, and the Automation of Reports and Consolidated Orders System of the Drug Enforcement Administration.

Overdose deaths now exceed deaths from traffic accidents.

A recent study in JAMA found that friends and relatives are the predominant, proximate source of opioid analgesics used for nonmedical purposes, with about 20% directly prescribed by physicians, the second most common source (others being stolen or bought from friends or relatives, bought from a drug dealer or stranger, and other). However, almost all opioid analgesics begin with a prescription, even if they're later transferred by sale or theft.

Prescribing rates vary widely by state. Arizona ranked in the second lowest quartile of painkiller prescriptions per 100 people. This epidemic is not the first time opioid abuse has reached a crisis point.
The history goes back to the 19th century and extends to the prescribing practices in the 1980s and 1990s, when Pain was no longer understood as something that had to be endured—it could be easily and quickly treated with pills. U.S. patients now consume 99% of the world's hydrocodone and 80% of the world's oxycodone.

> *Even for a conscientious doctor, it can be hard to tell the difference between a desperate patient who is genuinely suffering and a manipulative patient who's seeking out drugs.*

Recent studies have found that state prescription drug monitoring programs

> *…are effective in improving clinical decision making, reducing doctor shopping, and diversion of controlled substances.*

The Arizona Substance Abuse Partnership formulates collaborative strategies to reduce prescription drug use. It includes the Governor's Office for Children, Youth, and Families, the Arizona Criminal Justice Commission, the Arizona Department of Health Services, the Arizona State Board of Pharmacy, and the Arizona Department of Public Safety.

As efforts to reduce over prescribing have reduced the availability of prescription opioids, heroin use has grown as a more readily accessible alternative.

> *In 2012, the most recent year for which data are available, nationwide deaths from prescription painkillers dropped 5 percent from 2011, but heroin overdose deaths surged by 35 percent.*

> *"Ten milligrams of Oxy is always 10 milligrams of Oxy". With heroin, impurities and contamination can make an already dangerous drug even more deadly.*

Increasing numbers of first responders now carry Naloxone, a nasal spray which can revive persons who have overdosed. However, opioid treatment availability is limited. States' Medicaid coverage of treatment also varies widely. According to SAMHSA, 23 million people needed treatment for alcohol or drugs in 2012, but only 11% received it. And in addition to the human cost, the financial cost of prescription opioid abuse alone in 2007 was $72.5 billion, including Medicaid costs.

Some believe the cost of effective treatment would pay for itself.

> *It's clear that treatment for opioid dependency is underprovided for a variety of reasons, and that this, in turn, helps promote the growth in the problems dependency causes. But it's also clear that those dependent on opioids aren't the only victims. Because of the social costs the problem causes, many others are as well.*

Clearly, there are no simple solutions.