



AHRQ Estimating the Costs of Supporting Primary Care Practice Transformation Grants

Examining the Costs of a Medical Home Transformation for Seniors

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Overview of Estimating Costs Grant

This grant examines the costs of a wellness care redesign for older adult patients. The redesign was completed between 2009 and 2012 in an integrated medical group and in 213 independent practice associations (IPAs) in its network. The integrated medical group, HealthCare Partners Medical Group, is an Accountable Care Organization in the greater Los Angeles area with 31 practice sites. The study compares the costs of transformation across three regions and two organization types (integrated medical group vs. IPA).

The primary goals of the redesign were to improve the quality of patient–primary care team interactions, support shared decisionmaking, and help coordinate preventive and chronic patient care needs. The primary focus of the redesign was to reduce the burden on primary care physicians, allowing them more time to focus their efforts on improving diabetes, depression, and cardiovascular care management for seniors.

Within the integrated medical group, each practice site was allocated medical assistant resources to support the redesign processes. Medical assistants reviewed patient charts to identify preventive and chronic care needs, held previsit calls to assess patient-reported needs, conducted previsits prior to primary care provider visits to assess concerns and needs and review test results, and participated in daily huddles on the needs and supports of each patient. In addition, patient visits with primary care providers were extended to better address patient needs.

In the IPAs, nurse practitioners implemented the new processes. Staff received training to proactively identify patient needs and preferences.

Costs estimated included startup and incremental practice expenses for patient-centered medical home (PCMH) transformation, including the cost of creating and updating staff training materials; costs of staff time spent on patient recruitment, attending trainings, and patient visit time; equipment costs (medical equipment and office supplies); and incidental costs (transportation and incentives).

To facilitate collection of cost information and improve the reliability of cost estimates, the research team focused on items that would be required by other organizations that may be interested in replicating a similar senior wellness care redesign in their respective organizations. Costs that were difficult to estimate retrospectively and either did not account for a significant share of the costs of

Health Care Setting

This project focuses on a large integrated medical group with 31 practice sites and 213 IPAs administered in three geographic regions. Sites ranged in size from small (1 to 2 physicians) to medium (3 to 25 physicians).

Location

Greater Los Angeles area

Costs Estimated

Startup and incremental practice expenses for PCMH transformation, including:

- Training material development
- Staff costs
- Equipment
- Incidental costs (transportation and incentives)



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transformation or were not central to the implementation of the senior care redesign were excluded. Further, the study did not account for fixed costs; it only accounted for variable costs or costs associated with implementing and sustaining the key redesign components.

Data and Methods

The research team pursued three aims:

Aim 1: Develop a cost capture template for the senior wellness care redesign.

Aim 2: Retrospectively quantify startup and incremental expenses for the senior care redesign in HealthCare Partners' integrated group and IPA primary care practice sites.

Aim 3: Compare startup and incremental practice expenses for site-level implementation of the PCMH redesign between HealthCare Partners' integrated group and IPA primary care practice sites.

“Primary care practices can help older adult patients to better manage and prevent illness through patient-centered wellness care. Results from this study can help IPAs and integrated medical groups to plan for the costs of a senior wellness care redesign. Policy leaders and public and private health care organizations may also benefit from study results as they structure incentives to improve care for older adults in diverse primary care settings.”

- Arturo Vargas-Bustamante, PhD,
Principal Investigator

For Aim 1, the team developed a short, easy-to-understand cost capture template that was completed by key program administrators to report on the costs of the senior wellness care redesign. Its structure was based on the Prescription for Health (P4H) framework (developed in collaboration by the Robert Wood Johnson Foundation and AHRQ), which outlines various categories of startup and incremental expenses (go to the “Related Information” section for more information about the P4H framework). To customize the template, appropriate job descriptions were added based on labor resources used for the transformation.

For Aim 2, program administrators from HealthCare Partners integrated group practices and IPAs that

participated in the senior wellness care redesign and completed the cost capture template. To minimize the burden of data collection on practice staff, data gathered through the template were coded and aggregated into a dataset by the University of California, Los Angeles team. To enable cost comparisons across time, all costs were presented in 2012 dollars.

For Aim 3, the research team aggregated startup, incremental, and staff costs for integrated sites and for IPA sites independently. Several types of sensitivity analyses will be conducted to reflect differences in labor costs and implementation across geographies (three geographic areas in southern California) and organizational structures (integrated groups vs. IPAs). Different scenarios will be constructed to account for recollection bias and unmeasured cost categories.

Anticipated Benefits

The template developed to collect startup, incremental, and staff expenses may be useful to other primary care practices seeking to track their costs for similar types of interventions.

Results will benefit policy leaders and public and private health care organizations when resourcing implementation of PCMH components and incentivizing practice changes to improve care for older adults with multiple chronic conditions in diverse primary care settings.



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Challenges to Estimating Costs

The external validity of cost estimates may be limited because of geographic and health system heterogeneity of the practices. The proposed sensitivity analyses will mitigate this challenge.

Results

Analyses for this project are still in progress. Cost estimates will be available once the study is complete.

Relevant Information

Cost estimation methods were drawn from the P4H framework, which is described in the following sources:

Dodoo MS, Krist AH, Cifuentes M, Green LA. Start-up and incremental practice expenses for behavior change interventions in primary care. *Am J Prev Med* 2008;35(5 Suppl):S423-30.

Prescription for Health Expenditures Study Steering Committee. Templates for Collecting and Calculating Expenditure Data in Primary Care Interventions.

<http://www.prescriptionforhealth.org/results/toolkit.html>. Accessed May 1, 2015.

Publications

Publications from this study are forthcoming.

