

# Patient-centered medical homes deliver on promises

By Margaret O'Kane | November 1, 2014

**Patient-centered medical homes** have long been thought to reduce healthcare costs. A **recent study** published in the journal *Health Services Research* confirms that they actually do.

The study looked at PCMHs recognized by the National Committee for Quality Assurance, as well as practices that are not—referred to as the “comparison group.” It found that medical homes with the NCQA seal had lower payments from Medicare (saving money for the program), less money spent on urgent or acute care, and fewer overall visits to the emergency department among the patients they saw.

PCMHs strive to deliver greater coordination of care through provider teamwork, patient communication, care management and technology, and report after report has shown that they accomplish this.

For example, a 2012 review of PCMH initiatives in states across the country by the Patient-Centered Primary Care Collaborative showed marked improvement in areas such as quality of services, chronic disease management and patient satisfaction, just to name a few.

The latest study demonstrates the quantifiable effect PCMHs can have in reducing overall costs. Contrasted against the “comparison group,” NCQA-recognized medical homes reduced Medicare payments by an average of \$325 per patient and potentially avoidable visits to surgical specialists dropped by 3%.

The study also showed that these medical homes are keeping patients out of the ED, with visits down by 7% across all practice sizes. The result? Cost savings. The authors found that because of this decrease in nights their patients spend in the ED, Medicare payments are 5% lower in NCQA-recognized medical homes. The practices proved particularly effective for high-cost, sicker-than-average patients, reducing hospitalizations among this subset by 4%, according to the study.

Cutting costs in healthcare gets a lot of attention, and for good reason. By rethinking the model we use to provide care to patients and the way we receive care as patients, medical homes are producing tangible improvements in patient satisfaction and costs. It's what many of us have been saying for a long time: The most successful mode of low-cost, high-quality care is patient-centric.