

Fact Sheet-Phase One

MGH Medicare Demonstration Project for High-Cost Beneficiaries

7% Annual Net Savings Achieved Among Participants

Program Overview

In 2006, the Centers for Medicare & Medicaid (CMS) selected Massachusetts General Hospital (MGH) to participate in a 3-year demonstration project to test strategies to improve the coordination of Medicare services for high-cost, fee-for-service beneficiaries.

Under this demonstration project, CMS pays MGH a monthly fee per patient to coordinate their care. MGH is required to cover the costs of the program plus 5%. If there are savings greater than 5% plus costs, MGH and CMS will share the remaining savings. Over the past 3 years, MGH invested over \$8 million to implement this program. Success is determined using a prospective patient comparison group.

MGH originally enrolled 2,500 highest cost Medicare patients who account for \$68 million in annual Medicare spending (excluding pharmacy). On average, these patients take 12.6 medications, have 3.4 hospitalizations a year, and cost about \$24,000 annually. MGH has since added another 750 patients.

To help the primary care physicians manage these patients MGH integrated 12 care managers into their primary care practices. The care managers developed personal relationships with enrolled patients and worked closely with physicians to help identify gaps in patient care, coordinate providers and services, facilitate communication especially during transitions, and help educate patients and providers. A comprehensive health IT system supports that entire program, which includes electronic health records, patient tracking, and monitoring from home.

Results

CMS commissioned an independent evaluator, Research Triangle Institute (RTI), to assess the performance of the MGH demonstration program. RTI found MGH's program to be highly successful in targeting its interventions to the enrolled patients who offered the greatest opportunity to reduce costs and improve care. More specific results include:

Successful Enrollment and High Satisfaction

- 87% of eligible beneficiaries enrolled
- Improved communication between patients and health care team
- High patient and physician satisfaction

Improved Patient Outcomes

- Hospitalization rate among enrolled patients was 20% lower than comparison
- Emergency department visit rates were 13% lower for enrolled patients
- Annual mortality 16% among enrolled versus 20% among comparison group

Achieved Savings Target

- 12.1% in gross savings among enrolled patients
- 7% in annual net savings among enrolled patients after accounting for the management fee paid by CMS to MGH
- Return on investment - for every \$1 spent, the program saved at least \$2.65

Expansion Phase Two

The MGH program is one of a few successful CMS demonstration projects. In 2009, CMS renewed the MGH demonstration project for another three years and expanded it to Brigham and Women's Hospital and North Shore Medical Center. The program is estimated to grow to about 8,300 total patients across all 3 sites. Thus, far about 4,500 patients are currently enrolled at the sites, up from the original 2,500 enrolled at MGH. The program is also being tested among the commercial population with 300 are being enrolled.

| | Currently Enrolled Patients (as of 10/5/10) | Expected Enrollment Up To* (as of 10/5/10) |
|--------------|---|--|
| MGH | 2,673 | 5,190 |
| BWH | 871 | 1,428 |
| NSMC | 1,038 | 1,743 |
| Total | 4,582 | 8,361 |

*These are unique patients enrolled.

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