Practice Costs Associated with Becoming and Maintaining a Medical Home

Description	Cost Range	Notes
ONE-TIME/PERIODIC START-UP INFRASTRUCTURE COSTS		
Practice Transformation	Up to $60,000	Dependent on current state of a practice, includes staff education, consulting, some physical plant expansion. Financing high-end costs are not sustainable in a large-scale roll-out.
Upfront capital costs -- EHR acquisition costs	$25,000-$35,000 per physician	Initial costs, does not include HITECH incentives and Maryland incentives that are contingent on 'meaningful' use.
NCQA Recognition Costs	$800- $3,000	Varies depending on whether only recognition or readiness costs are financed
ONGOING Costs		
Medical Home Costs typically rolled into PMPM	**$3.00-$8.00 (max),**	Most multi-payer demonstrations tend toward a PMPM at the lower end.
Integrated care planning	[redacted]	
Development/revision of care plan		
RX medication and OTC reconciliation and tracking		
7-day per week, 24-hour access to phone triage		
Ongoing staff training		
Physician oversight of clinical staff		
EHR software and database maintenance costs		
General patient education costs		
Expanded professional liability insurance		

Communication/coordination of care provided by a Care Coordinator(CC)	About .3-.5 CC per FTE physician - about a $60076K CC.	Multi-payer demos have tended to break this out separately from PMPM. Factors for doing so are attributed to concerns about size of PMPM and how RN nurse coordinators are provided. Some demos envision using community-based CCs or payer-employed CCs. CMS rolls into PMPM.
OTHER FACTORS		
Expectation that costs differ (And PMPM) by tiers		Most multi-payer demos express PMPM in terms of, "up to $$.$$." Meaning PMPM differentiated by the recognition level
Differentiate costs by risk.		No, except for CMS Demo which uses HCC to assign risk. CMS assumes up to 250 PCMH patients per physician. Private payer demos assume 1,000+.
Attribution of patients		Plurality of E&M visits in a specified period, with a 1 or 2 year look-back. Longer the look back, the smaller the PCMH panel. Smaller the panel means fixed costs are distributed across a 'smaller home'