

Committee on Ways and Means

H.R. 6111, Tax Relief and Health Care Act of 2006

Medical Home Model

- About half of the U.S. population has a chronic medical condition and about half of those with chronic conditions have more than one chronic condition.
- Further, approximately 89 percent of Medicare funding goes towards beneficiaries with multiple chronic conditions.
- Much of this spending covers unnecessary or inappropriate health care services, because there is little coordination of patient care among providers or across sites of service.
- The *Tax Relief and Health Care Act of 2006* provides for a three-year demonstration in eight States. The medical home model provides a care management fee to either a physician or specialist in order to manage and coordinate a patient's care using the medical home concept.
- The physician provides guidance to both the patient and other health care professionals based on an integrated, coherent plan for ongoing medical care developed specific to the patient.
- The physician group that shows significant savings under the medical home model will share in the savings.
- By targeting patients with one or more chronic conditions, the medical home model should result in improved coordination of care, better care management, a decrease in the duplications of tests and avoidance of hospitalizations.