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**To:** [HFS.Webmaster](#)  
**Subject:** Response to Coordinated Care Program Key Policy Issues  
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Apogee Health Partners is, today, a network of over 175 physicians that have been serving Medicaid enrollees since 2001. Over that decade we have developed close working relationships with hospitals that serve the same community and have made progress in the development of systems, both people and electronic, to coordinate care and tie the elements of the network together. The coordinated care program brought out in your discussion paper has, in fact, been the long term direction of Apogee Health Partners.

There are four major segments to the health care delivery market: payors (including HFS and managed care plans), physicians and other medical providers, hospitals and the spectrum of ancillary service providers. Improved coordination within each of these segments, or even more, better or bigger islands of cooperation within each of these segments, can yield significant realizable benefits, in terms of improved outcomes as well as financial results. These opportunities should not be overlooked or dismissed as too small in scope. Any of them could become solid building blocks for more comprehensive solutions.

Ultimately, however, the desired long term coordinated care models will require participants from each of the four major market segments to form new types of linkages/alliances/ partnerships/entities. These will need to be formal and focused on the achievement of the desired end results, however they may be defined. HFS should have at least three roles in the formation of these systems. First, it should establish uniform exchange rates (prices) for selected goods and services, including pharmaceutical providers, provided to Medicaid enrollees. This will eliminate the considerable resources and efforts that go into contracting and reduce Medicaid expenses which might be able to be reinvested in developing a coordinated care system in Illinois. Second, HFS can serve as a facilitator, bringing participants to the table to forge the linkages/ alliances/partnerships/entities needed to create coordinated care systems in Illinois. This may reduce some competitive and, possibly, anti-trust, concerns of some of the participants. And third, the State needs to revamp its own information systems, provider fee schedules, billing forms and claims adjudication procedures and bring them more closely in line with Medicare standards. This will facilitate collecting data and generating clinical information that can be compared to national benchmarks and form a better foundation for measuring the outcomes of coordinated care.

It is interesting that financial and information technology issues appear similar from one perspective. Considerations for financial compensation and incentives in this new model must start from the reality of today's financing mechanisms and not leap into a new paradigm at the start. All participants are tailored to function under the current funding structure. A radical, untested change may challenge the financial viability of any of these organizations and change the delivery of health care services in unintended ways. Changes in information technology such as EHR adoption must also start from the current state of technology use in the Medicaid marketplace. Statistically, for example, Medicaid physicians are adopting EHRs more slowly than their commercial counterparts. While EHRs are desirable and will, in all likelihood, be essential for true coordinated care, requiring their adoption at the beginning may create more disruptions than initial benefits,

In short, the coordinated care program must start from the realities of today, avoid the discontinuities that might result from great leaps forward and incorporate today's qualified participants rather than creating large monolithic structures. Apogee Health Partners looks forward to productively working with HFS and other interested parties in the development of what could be a landmark program.