



Marshfield Clinic<sup>®</sup>

HEALTH SYSTEM

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August 4, 2017

Physician-Focused Payment Model Technical Advisory Committee  
C/o U.S. DHHS Asst. Secretary for Planning and Evaluation Office of Health Policy  
200 Independence Avenue S.W.  
Washington, D.C. 20201  
PTAC@hhs.gov

**Letter of Intent – Personalized Recovery Care, LLC, Home Hospitalization: An Alternative Model for Delivering Acute Care in the Home**

Dear Committee Members:

On behalf of Marshfield Clinic and Personalized Recovery Care, LLC (“PRC”), a joint venture between Marshfield Clinic Health System, Inc. and Contessa Health, Inc., I would like to express intent to submit a proposal for a Physician-Focused Payment Model entitled “Home Hospitalization: An Alternative Model for Delivering Acute Care in the Home” for PTAC review on September 3, 2017.

Descriptions of patient centered care and achieving the Triple Aim are often referenced, yet few programs create increased value and quality outcomes while also truly focusing on the preferences and experience of the patient. We believe that our proposal for home hospitalization can achieve each of these goals and allow a broad cross section of physicians to participate in providing this type of care. PRC proposes to launch this model for Medicare Fee-For-Service patients at Marshfield Clinic, with the goal of expanding it to physicians and settings across the country. In the proposed model, physicians could provide hospital level care delivery to Medicare fee-for-service beneficiaries in their homes for a meaningful number of medical and surgical conditions. In general, any Medicare patient who is medically eligible for inpatient hospitalization admission for treatment of pre-selected conditions could be treated at home through the program, except if the patient needs a higher level of care such as ICU or telemetry, or if such patient has an unsafe home environment.

The PRC operators’ goals are to: 1) improve health care quality by providing hospital level care in the comfort of the patient’s home, while 2) changing the reimbursement for participating physicians by making them accountable for the quality and spend throughout a 30-day episode of care. Clinical data from previous operators of this type of care model demonstrate the superiority with respect to quality, including 33% reduction in mean length of stay, 24% reduction in readmissions, and 20% reduction in mortality.

The model proposed will closely track a program we currently operate in Marshfield, Wisconsin. In this program, commercial and Medicare Advantage patients experiencing certain medical conditions normally requiring admission to an inpatient hospital instead consent to receive acute care treatment in their homes or a skilled nursing facility. Driven by Marshfield Clinic’s experience in innovation and clinical excellence, this program allows superior clinical

care in a patient's home or an alternative setting from an inpatient hospital, achieved through physician telehealth, health care service delivery, and focused, high-touch care coordination. The physicians responsible for the care take financial risk on the episode period, such that Medicare would be guaranteed savings from its historical spending on these conditions, while physicians would be rewarded for improved outcomes.

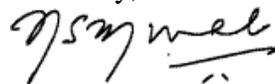
The clinical aspect of the PRC program includes a pathway by which a patient could be treated. In this pathway, a patient that requires hospital-level care, yet meets select clinical and home-appropriateness eligibility, would be eligible for a direct-to-home pathway. The patient would then be transferred from the point of initial treatment directly home, where the patient would receive hospital-level care. The PRC model provides an alternative venue for the traditional institutional setting used for acute care and has demonstrated the ability to improve patient safety, enhance quality and reduce costs in several randomized trials.

The payment aspect of the PRC program would satisfy the MACRA requirements for an alternative payment model ("APM"). The PRC Operators would receive an episodic payment for hospital-level care and related transitional services that would not be tied to an index admission to an acute care facility. From this payment, the PRC Operators would be responsible for all related care delivered to the patients over a 30-day episode. This includes any subsequent hospitalizations related to the initial anchoring event. The PRC Operators would be required to meet select clinical quality metrics to be eligible to receive savings generated from the program. The episodic rate would be calculated in advance as a discount to the historical benchmark for comparable episodes.

We intend to submit the proposal on September 3, 2017 and since we have already implemented this program in Marshfield, we anticipate that we could be prepared to implement this program as soon as January 1, 2018.

Marshfield Clinic believes that this model has the potential to become a standard of care for treatment, enabling many different types of physicians to participate in the program. Building on its previous track record with innovation, Marshfield Clinic committed to and has demonstrated high quality of care focused on superior outcomes, excellence in patient experience and lower health care costs through its partnership with Contessa Health. Through testing of our proposed payment model of home hospitalization, Medicare fee-for-service patients would have the opportunity to receive patient-centered, acute care in their homes, whereas currently, the only option is an inpatient hospital stay with fragmented care following the discharge and recovery.

Sincerely,



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