

Pacific Business Group on Health, Partners Receive \$19 million Grant from Center for Medicare and Medicaid Innovation to Improve Health for 23,000 Chronically-Ill Californians

Contact: Nicole Kohleriter-Perelman; 415-385-2283

June 15, 2012 -- Today the [Pacific Business Group on Health](#) (PBGH) announced the organization has just received a \$19 million Innovation Grant from the Center for Medicare and Medicaid Innovation. One of only 17 organizations in California to receive the prestigious funding award, PBGH will embark on an ambitious initiative to improve care for 23,000 Medicare patients in California living with multiple chronic conditions while dramatically reducing their cost of care. PBGH will operate the new initiative relying heavily on its sister organization, the [California Quality Collaborative](#) (CQC).

To deliver the program, called the Intensive Outpatient Care Program, PBGH and CQC will work closely with a number of experts and 17 medical group partners in California.

The Intensive Outpatient Care Program uses well trained care managers embedded in high-performing primary care teams to develop close relationships with medically complex patients and deliver highly individualized and accessible primary care, based on treatment goals specific to each patient. The goal is fewer emergency room visits, a reduction in avoidable hospitalizations, better mitigation of disease, and reduced complications as a result of intensive care management. "This is a model that has proven to work," explains Dr. Arnie Milstein, Professor of Medicine at Stanford University and Medical Director of PBGH.

PBGH member organizations, including CalPERS, Pacific Gas and Electric Company, and Boeing, introduced the Intensive Outpatient Care Program to successfully improve care and reduce health care costs for their employee populations with multiple chronic conditions. PBGH has produced a [short video about the model](#) and its success helping complex patients in Humboldt County, CA.

The Innovation Grant will enable PBGH and CQC to provide a technical assistance program for 17 provider systems in California to introduce and spread intensive care management for high-risk Medicare beneficiaries across their networks of 9,000 primary care practices. The goal is to reduce the cost of care five percent for these beneficiaries while

improving their health and patient reported experience with care by at least two percent annually. “This is a wonderful opportunity for medical groups in California to work in concert to help improve the affordability and quality of care for the Medicare population,” explains Don Crane, CEO of the California Association of Physician Groups.

“This is really about taking some proven models from the private sector and making them work to help improve the health of Medicare patients,” says David Lansky, CEO of the Pacific Business Group on Health. “This is a powerful private-public sector partnership and we are excited to get started.”

About PBGH and the California Quality Collaborative

The Pacific Business Group on Health represents almost 60 member companies who provide health coverage to almost 10 million Americans and their dependents. PBGH and its membership provide core leadership and funding support to the California Quality Collaborative. For more information, please visit www.pbgh.org and www.calquality.org.

About the Center for Medicare and Medicaid Innovation Grants

Made possible by the health care law – the Affordable Care Act – the awards will support projects nationwide that are designed to deliver high quality medical care, enhance the health care workforce, and save money. Combined with the awards announced last month, HHS has now made awards to 107 projects that intend to save the health care system an estimated \$1.9 billion over the next three years. Awardees were chosen for their innovative solutions to the health care challenges facing their communities and for their focus on creating a well-trained health care workforce that is equipped to meet the need for new jobs in the 21st century health system. The Centers for Medicare & Medicaid Services (CMS) contracted with an external organization with extensive experience in managing independent grant review processes to administer the award review process to ensure an objective review of each application. The Center for Medicare and Medicaid Innovation within CMS will administer the awards through cooperative agreements over three years.