



## AAP Policy, News Articles, Administration/Practice Management, Medical Home

### Proper financing of medical home for children necessary for quality care: policy

by Jonathan Price M.D., FAAP

A new AAP policy statement recommends how private and public insurers should support the core mission of pediatricians. It serves as a roadmap to guide the advocacy efforts of AAP chapters, legislative advocates and any pediatric group that has negotiating power with insurers.

The policy sets out the value of financially sound primary care pediatric practices empowered to deliver quality care to children and to coordinate care with specialists, teachers and agencies.

Titled *Principles of Financing the Medical Home for Children*, the policy from the Committee on Child Health Financing is available at <https://doi.org/10.1542/peds.2019-3451> and will be published in the January issue of *Pediatrics*.

The AAP recommends payers adopt the following:

- A policy of providing first dollar coverage for preventive services recommended in *Bright Futures*, basing deductibles and copays on household income not as absolute dollar amounts, and recognizing that high-deductible plans are not appropriate for children.
- A uniform definition of medical necessity among payers. Medically necessary services include those important for optimal growth and development, and treat the full range of pediatric conditions in accord with evidence-based science or evidence-informed expert opinion.
- Payment models that strengthen the patient/family-physician relationship and do not impose administrative burdens that detract from medical home care.
- Procedures enabling both the pediatrician and family to learn the extent of a patient's coverage for services at the time and place of service.

Further, payers should not make it easier for families to go to facilities that lack fundamental pediatric expertise, fail to coordinate with the medical home or do not practice antibiotic stewardship.

#### Unique needs

When pediatricians create medical homes for children, they take on a responsibility unique in the health care system because children, teens and young adults have unique needs and potential.

Pediatricians have always attended to the needs of children beyond the primary care office, accessing specialists and therapists with pediatric expertise, communicating with schools, referring families to charitable and nonprofit organizations, and informing families when they may be eligible for public help with food and housing.

One can think of this network as a "medical neighborhood," but awareness of local resources can be hit-or-miss. Therefore, if community resources are lacking, payers should help bring them into a community; where resources exist, strengthen them; and in locations with strong resources, support pediatricians' time and effort to coordinate with them.

#### Reducing barriers



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# AAP News

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Methods of paying for health care are in a state of profound change. In adult medicine, the movement toward payments based on the perceived "value of care" has by most accounts reduced complications of hospitalizations and readmissions to hospitals soon after discharge, and increased the number of preventive health screenings.

In pediatrics, however, the opportunities and challenges to improve the health of patients are different or have different magnitudes of importance. Payment models should be designed to respond to children's needs and make the provision of care in medical homes financially viable.

Evidence shows that kids often become vulnerable to chronic adult conditions because of adversity that comes from their social and household situations. Pediatricians deal with insurance practices that fail to account for the complexity of patients with difficult social or household situations and fail to pay adequately for the provision of vaccines and outreach services. They often impose an administrative burden that consumes staff time and operating funds that could be used to provide care.

*Principles of Financing the Medical Home for Children* holds that pediatricians are positioned to improve health and well-being in the long run. What pediatricians do for children in prevention and early intervention can be beneficial for decades. Payers should use their unique ability to empower the pediatric medical home.

*Dr. Price, a lead author of the policy statement, is chair of the AAP Committee on Child Health Financing.*