



American Academy of Family Physicians

May 7, 2007

The Honorable Leslie Norwalk
Office of the Administrator
Centers for Medicare and Medicaid Services
200 Independence Avenue, SW (Room 314G)
Washington, D.C. 20201

Dear Administrator Norwalk:

The North Carolina Community Care Networks (NC-CCN) has submitted an application to the Centers for Medicare and Medicaid Services (CMS) for participation in the Medicare Health Care Quality Demonstration Programs under Section 646 of the *Medicare Prescription Drug Improvement, and Modernization Act*. On behalf of the 93,800 members of the American Academy of Family Physicians, I offer our strongest endorsement of this application.

The AAFP Board and members have had the opportunity to review how NC-CCN administers the Medicaid program in North Carolina, and we have been uniformly impressed with the quality of health care that the networks deliver to those who too frequently receive the least from the health care system. What the NC-CCN has done is in many ways common sense: patients designate (or are assigned) a local physician practice as a medical home in which they receive their primary care and from which the rest of their care is coordinated. While this may seem to be common sense, it is too rarely the case in health care.

The network administrators within NC-CCN make sure that all physician practices in every area of the state, no matter the size of the practice or its remoteness, has access to needed services like mental health professionals, substance abuse counselors, transportation assistance, nutritionists, language interpreters, and specialty health care. By reducing the silo effect and fragmentation inherent in the delivery of health care, NC-CCN reduces duplication of effort and achieves real savings. An independent audit by Mercer showed that between July 1, 2002 and June 30, 2003, North Carolina Medicaid spent \$8.1 million for the NC-CCN care-coordination program. However, Mercer calculated that the savings achieved compared to just fee-for-service for the same population was \$203.4 million. More importantly, NC-CCN achieved demonstrable improvement in the health of its patients.

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Extending this health care model, based on the personal medical home, to Medicare patients should show similar quality improvement and may achieve significant savings as well. We urge CMS to approve the Medicare 646 Waiver Demonstration Application as soon as possible.

Sincerely,

Larry S. Fields MD

Larry S. Fields, MD, FAAFP
Board Chair

cc: Cynthia Mason, CMS Project Officer
Steve Wegner, MD, NC-CCN President