UnitedHealth Group has decided to invest further in the medical home concept, despite a lack of demonstrated outcomes.

In 2009, the insurer will spend more than $1 million on "enhanced primary care payments," said Eric Sullivan, national director of patient-centered medical home initiatives for the UnitedHealthcare unit.

The focus will be on projects in Colorado, Rhode Island and Arizona. Each project is slightly different. In Colorado, UnitedHealthcare is part of the Chronic Care Sustainability Initiative, a multi-payer demonstration project. UnitedHealthcare is joining with I.B.M., which has been collaborating with UnitedHealthcare on its demonstration projects. Dr. Terry McGeeney, president and chief executive officer of TransforMED, advised that a certain amount of transparency would be wise in these projects, given that there's "always a certain amount of distrust between physicians and payers."

As an example, he cited a UnitedHealthcare demonstration project in Florida that never got off the ground because the "timing wasn't right. In the Florida market at that time, there was a lot of distrust around motives." Based on the many meetings he observed, United's expectations were "too much (for physicians) to digest."

In Arizona, UnitedHealthcare is collaborating with I.B.M., which has been active in advancing the medical home concept. Seven primary care practices were selected. Each had a large volume of United enrollees, met United's definition of a high-quality provider, and agreed to transform into a medical home for all of their patients, and not just United enrollees (Most I.B.M. employees are covered by United.)

The project only covers adult medicine, not pediatrics. The 24 physicians in the seven practices see 13,000-15,000 United enrollees, in commercial, Medicare and Medicaid plans, Mr. Sullivan explained.

UnitedHealthcare brought in—and paid for—TransforMED to help the practices retool into medical homes. The company will teach physicians how to change their practices, giving them advice and tools to enhance teamwork and more efficiently manage care, Dr. McGeeney said. The insurer will not be providing any direct funds for purchase of staff or electronic medical record hardware or software, he said. Most of the practices taking part in the demonstration already have or are purchasing EMR systems.

One of the Arizona project participants is Phoenix physician Jim Dearing, an AAPF board member in a solo practice. Dr. Dearing hasn't yet invested in EMRs because of the lack of interoperability standards. He said he chose to join the project because he's barely making ends meet. He's already delivering high-quality care to some 25 patients a day, but he's still not efficient enough. Dr. Dearing said he hopes that TransforMED's advice and United's new reimbursement structure will help reinvigorate his practice.

The patient-centered medical home is a path into the future, he said in an interview. "If we don't try a product to make us better than where we are, we're not going to have a job."

Under the UnitedHealthcare contract, participating physicians will receive a per member per month payment each quarter for the United members in their practice. The physicians also are eligible to receive a performance bonus retroactively, based on whether they meet key quality measures.

Dr. Dearing is not without trepidation, however. "I'm scared to death about the costs," he said, adding, "I'm scared to death about the implementation."

"It's critically important that these pilots show positive outcomes so that the payment mechanisms can change," Dr. McGeeney said. "There's too much soft data floating around out there now," he said, adding that these UnitedHealthcare pilots should help provide some real proof of concept.

The Arizona demonstration runs for 3 years, and the Colorado and Rhode Island projects for 2 years, through 2011. But Mr. Sullivan predicted that physicians, payers, and patients will know sooner, rather than later, about what works and what doesn't work with the projects.