

Patient Centered Outcomes Research Institute

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Articles posted on this website have often commented on the need for a reduction in health care costs, both for the financial integrity of the government and for affordability of private health care coverage. One provision in the Patient Protection and Affordable Care Act of 2010 ("ACA") which has promise in helping to control health care costs is the provision establishing the Patient-Centered Outcomes Research Institute ("PCORI"). This institute is a private, non-profit corporation that performs research on comparative outcomes and clinical effectiveness of medical treatments in an effort to provide comparative information to assist patients, clinicians, purchasers, and policy-makers in making informed health care decisions.

PCORI has a 21-member Board of Governors with members from a cross-section of the health care system. Almost half of the Board members are physicians. Other members include consumer advocates, nurses and other providers, payor representatives such as from health insurers, and pharmaceutical, device, or diagnostic manufacturer representatives. ACA also requires Board members to include the Director of the Agency for Healthcare Research and Quality ("AHRQ") and the Director of the National Institute of Health, or their designees. Having such a small proportion of the Board from payors is designed to ensure that results are used to increase quality of care and efficiency and not used predominantly to minimize costs. Members of the Board of Governors and the Methodology Committee, described below, are appointed by the U.S. Government Accountability Office.

A 17-member Methodology Committee has also been established. The committee works to define methodological standards for research. The committee also develops and regularly updates a translation table to guide health care stakeholders towards the best methods for patient-centered outcomes research. More complete descriptions of the Board of Governors and Methodology Committee are available on the PCORI website, PCORI.org.

PCORI is funded by the PCORI Trust Fund. The Fund receives money on a per capita basis from payors based on Medicare, private insurers, and self-insured enrollment. The fee for payors is \$1 per capita in 2013 and increasing each year through 2019 by the percent increase in National Health Expenditures. Federal government appropriations are also included in the Fund beginning with \$10M in 2010 and increasing to \$150M for 2012 through 2019.

Funds from the Trust Fund are used to provide grants for independent comparative studies of health care treatments. The PCORI website indicated on February 19, 2013 that \$40.7M in grants had been provided in the past three years. These grants have been given for studies such as a Massachusetts study analyzing the benefits of a collaboration of a hospital and a Patient-Centered Medical Home within an Accountable Care Organization. Other studies analyze treatments for diabetes and depression.

The Office of Communication and Knowledge Transfer of AHRQ is required to broadly communicate the results of the studies sponsored by PCORI. PCORI cannot mandate reimbursement or benefits based on the information received from the studies. Medicare also cannot determine payments or benefits based solely on these studies. Instead, these studies are designed to be just another tool that will be available for patients, clinicians, purchasers, and policy-makers to help determine the best treatment plans.

Like many elements of ACA, the actual impact of PCORI will not be known for a few years. It will take years to complete the few studies already receiving funded by PCORI grants. Future grants will continue to provide information that can be used to help stakeholders determine the most appropriate treatment protocol in order to increase quality of care and efficiency. Like other proposals to improve our health care delivery system, this is not a Silver Bullet, just another tool to help in getting us where we would like to go in modifying our health care system. Depending on its effectiveness, a very rough guess is that PCORI could save 5% to 15% in a mature state.