The STATE OF PRIMARY CARE SPENDING
Findings from the PCC’s New Evidence Report
01  PCC announcements and introductions

02  Presentation of report findings
    Ann Kempski, adviser and lead author of report
    Primary Care Collaborative

03  Reactions and discussion
    Maureen Hensley-Quinn, Senior Program Director of
    Emerging Policy Issues
    National Academy for State Health Policy
    Connie Hwang, MD, MPH, Chief Medical Officer & Director,
    Clinical Innovation
    Alliance of Community Health Plans

04  Participant Q&A
Where to get PCC’s 2020 EVIDENCE REPORT

thepcc.org/resource/evidence2020
## Today's speakers

<table>
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<tr>
<th>PANELISTS</th>
<th>MODERATOR</th>
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<tr>
<td>ANN KEMPSKI, MILR</td>
<td>MAUREEN HENSLEY-QUINN</td>
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<td>Adviser and lead author of report, Primary Care Collaborative</td>
<td>Senior Program Director of Emerging Policy Issues, National Academy for State Health Policy</td>
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<td>CONNIE HWANG, MD, MPH</td>
<td>ANN GREINER, MCP</td>
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<td>Chief Medical Officer &amp; Director, Clinical Innovation, Alliance of Community Health Plans</td>
<td>President &amp; CEO, Primary Care Collaborative</td>
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2020 Evidence Report

Findings presented by Ann Kempski, MS
January 25, 2021

Primary Care Spending:
High Stakes, Low Investment
December 2020
Why it Matters

Health Care Spending

- Hospital care
- All other physician and professional services
- Prescription drugs and other medical nondurables
- Primary care
- Nursing home care
- Other health, residential, and personal care
- Dental services
- Home health care
- Medical durables

- 38%
- 20%
- 14%
- 6%
- 6%
- 4%
- 3%
- 2%
- 5-7%
2020 Evidence Report: 4 Components

1. Provide updated national and state estimates of primary care spending percentages
   - Commercial and Medicare Advantage claims data
   - 2017-2019 spending trends

2. Review recent literature on primary care spending and:
   - Utilization
   - Workforce

3. Consider factors, such rising deductibles, affecting demand

4. Update state actions, accomplishments in 2019-2020
How PCC Defined Primary Care

- Services delivered in office, outpatient settings
- Evaluation and management visits
- Preventive visits
- Care transition, coordination services
- Screening, counseling

Diagram:

**Broad**
- Geriatric medicine
- Adolescent medicine
- Gynecology

**Narrow**
- Family medicine
- Internal medicine
- Pediatric medicine
- General practitioner

- Nurse practitioner (NP)
- Physician assistant (PA)
PC Spending Declined Among Commercially Insured 2017-2019

PCC finds decline similar to other recent analyses

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<th>Definition</th>
<th>2017</th>
<th>2019</th>
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<tr>
<td>Narrow</td>
<td>4.88%</td>
<td>4.67%</td>
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<tr>
<td>Broad</td>
<td>7.8%</td>
<td>7.69%</td>
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JAMA Internal Medicine 2020 All Payer Decline 2002-2016
- 6.5% to 5.4% decline, narrow definition

JAMA 2019 Commercially Insured Decline 2013-2017
- 4.6% to 4.35% decline, narrow definition
- 8.97% to 8.04% decline, broad definition
Large Variation Across States

2019 U.S. Average: 7.69%

- Top-Performing States (10.28%-16.64%)
- Medium-Performing States (7.70%-10.12%)
- Bottom-Performing States (5.57%-7.66%)
Higher PC Spending Associated with Fewer Preventable Admissions

Using FAIR Health commercial, MA claims, similar association with outcomes found elsewhere

\[ y = -0.1574x + 0.0969 \]
Potential Drivers of PC Spending Decline

- Measurement error
  - Non-claims VB spending
  - Self-pay in retail, other settings
  - Employer-based clinics, Direct PC

- Rising deductibles and cost-sharing

- PC spending outpaced by spending increases in rest of system
State-Level and Payer-Level Findings: Importance of Non-Claims Spending

• Highest-spending states spend 3x as much as lowest-spending
• States with declines outnumber states with increases
• Absence of non-claims spend biases results downward (CA, RI, VT, CO, OR)
• Increasing spend consistent with PCMH efforts (MI, ID, NC)
• A few puzzling outliers in both directions (MS, PA)

Vermont

found PC spending claims - only 8.9%; total 10.2% (2018)

Oregon

found 13% total PC spending, with 47% non-claims; skewed by one plan at 91% (2018)
Declines in PC Spending, Utilization Coincide with Sharp Rise in Deductibles

**Cumulative Increases in Family Coverage Premiums, General Annual Deductibles, Inflation, and Workers’ Earnings, 2010-2020**

- **Workers’ Earnings**
- **Overall Inflation**
- **Family Premiums**
- **Deductibles**

**NOTE:** Average general annual deductibles are for single coverage and are among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.

In Short, Lack of Progress Found Orienting U.S. Toward Primary Care

- Spending Percentage Fell
- Utilization Indicators Flat to Negative
- Workforce Indicators Mixed
Recent State Progress in Measuring, Setting Target for PC Investment

First-time PC Spending Reports 2019-2020

- Maine
- Washington
- Vermont
- Pennsylvania
- Colorado
- Connecticut

Targeting PC Spending in Cost Benchmarking 2020

New England states
References


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