2020 PCC Evidence Report

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2020 Evidence Report: 4 Components

1. Provide updated national and state estimates of primary care spending percentages
   • Commercial and Medicare Advantage
   • 2017–2019 spending trends

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

3. Consider factors, such as rising deductibles, affecting demand

4. Update state actions, accomplishments for 2019–2020
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Why it Matters

Health Care Spending

- Hospital care: 38%
- All other physician and professional services: 20%
- Prescription drugs and other medical nondurables: 14%
- Primary care: 6%
- Nursing home care: 6%
- Other health, residential, and personal care: 5-7%
- Dental services: 4%
- Home health care: 3%
- Medical durables: 2%
• Analysis of FAIR Health dataset of private healthcare claims
  • employer-sponsored
  • individual, small and large group
  • Medicare Advantage plans

• State-level, age-adjusted, timely estimates of primary care spending for commercially insured, 50 states

• 2017-2019 trended data

• Included claims for patients with 12 months of continuous coverage

• Rx spend imputed using credible sources external to FAIR Health

• Used definition of narrow and broad primary care spending closely aligned with Bailit, et al. 2017
How PCC Defined Primary Care

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

Nurse practitioner (NP)
Physician assistant (PA)

Family medicine
Internal medicine
Pediatric medicine
General practitioner

Geriatric medicine
Adolescent medicine
Gynecology
Data Limitations

- Does not include non-claims payments
- Not directly comparable with state reports using APCDs
- Not able to disaggregate spending into price and utilization
- State residence imputed based on proximity to primary care and other outpatient claims
- Not able to identify behavioral health services delivered in primary care
PC Spending Declined Among Commercially Insured 2017–2019

PCC finds decline similar to other recent analyses

<table>
<thead>
<tr>
<th>Definition</th>
<th>2017</th>
<th>2019</th>
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<tbody>
<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

Narrow Definition

2019 U.S. Average: 4.67%

% PC Spend by State
Narrow Definition

- 3.14% - 4.26%
- 4.28% - 5.38%
- 5.41% - 9.48%
Replicated Associations Between Higher State Primary Care Spending, Lower Hospital Utilization

Higher PC Spending Associated With Avoidable Hospitalizations

Avoidable Hospitalizations Associated with Higher PC Spending

\[ y = -0.1574x + 0.0969 \]
Higher PC Spending & Other Outcomes

ED Visits
Negative

Hospitalizations
Negative
Potential Causes of PC Spending Decline

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

- Demand-driven decline due to rising deductibles and cost-sharing

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

- 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 non-claims spending accounted for 10% of commercial spending on PC (2018)

Oregon found non-claims spending was 47% of total commercial spending on PC; highly skewed by one plan at 91% (2018)
PC Utilization Trends
Flat or Negative

• After ACA implementation, primary care utilization flat or declined: 2010-2013 vs. 2014-2017 (JAMA Network Open, 2020)

• Adult PC visits fell 24% 2008-2016 in commercially insured; visits to specialists remained stable (Annals of Internal Medicine, 2020)

• The % of adults reporting an “usual source of care” rose only slightly, from 76% to 78%, between 2013-2016; has been flat since 2016

• Lower rates reported by Black, Latinx adults (Commonwealth Fund, 2020)
• Mixed results on primary care physician workforce growth

• Rise in NPs bolstered primary care workforce in urban and rural areas

Basu, et al JAMA Internal Medicine, 2019

Zhang, et al, JAMA Network Open, October 28, 2020
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

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.

Spending Percentage Fell

Utilization Indicators Flat to Negative

Workforce Indicators Mixed
Recent State Actions to Re-Orient Systems Toward Primary Care

First-time PC Spending Reports 2019–2020

Targeting PC Spending in Cost Benchmarking 2020

New England states

- Maine
- Washington
- Vermont

Colorado

Delaware

Pennsylvania

Connecticut
State Actions to Strengthen Primary Care Investment
References


Friedberg, M, Hussy, P, Schneider, E. Primary Care: A Critical Review of the Evidence on Quality and Costs of Health Care. Health Affairs, May 2010


