



# Making the Case for Policies that Support Growth of High-Performing Primary Care

DECEMBER 2018

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# PCPCC

## MISSION

Promote Robust Primary Care to Achieve the Quadruple Aim

## VISION

Shared Principles of Primary Care

*Updates 2007 PCPCC Joint Principles*

*Nearly 300 Signatories to Date*

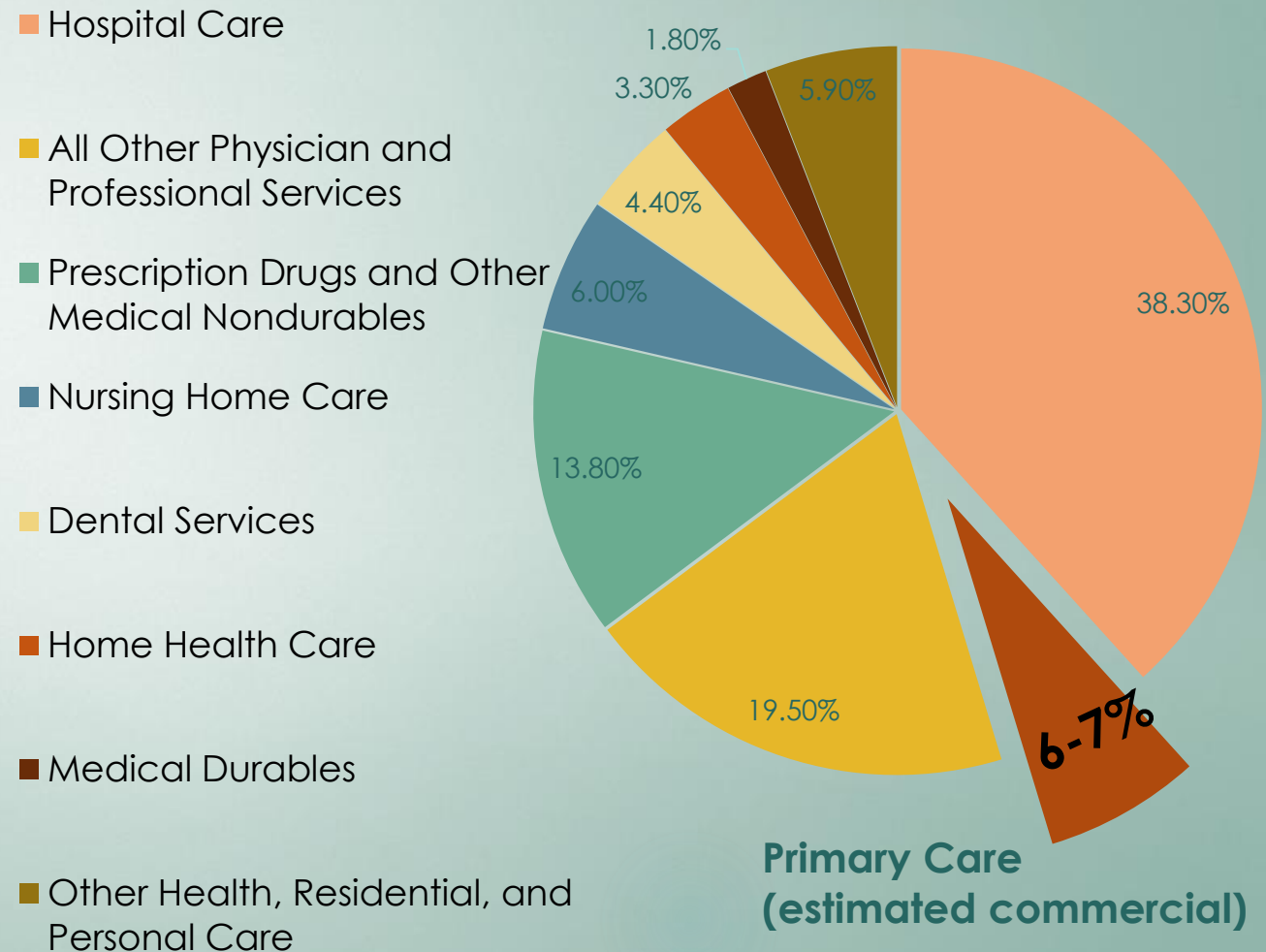
Quadruple Aim



# What are we spending now on primary care?

Studies show that the percentage of total U.S. healthcare spending on primary care is 5.8%-7.7%

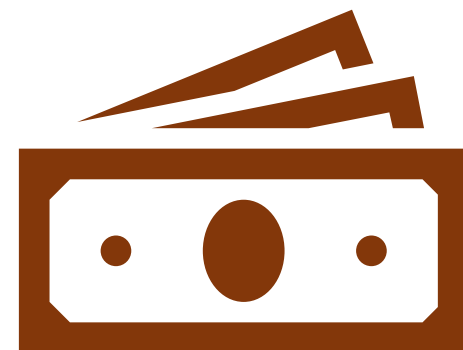
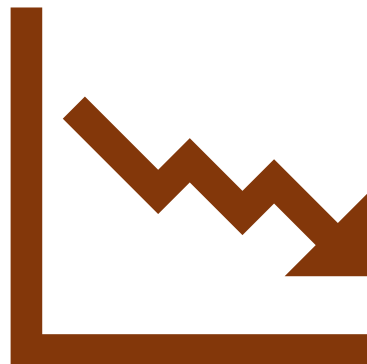
Even among high performing health plans, primary care spending varies widely



# How is that spending changing?



- ▶ **Spending on office visits to primary care physicians declined 6% from 2012 to 2016**
  - ▶ - NP & PA substitution is a contributor
  - ▶ - But, there was still an overall 2% decline in PC visits, inclusive of MDs, NPs, and PAs
- ▶ **During the same period, spending on specialists increased by 31%**



# What do we lose when we underinvest in primary care?



## Access to Needed Services:

### ▶ **Prevention:**

- ▶ As of 2015, only 8% of US adults ages  $\geq 35$  received all high-priority, appropriate preventive services recommended.
- ▶ Nearly 5% of adults did not receive any such services.

### ▶ **Chronic Care Management:**

- ▶ 85% of primary care providers said they don't have enough time to focus on a patient's chronic disease management needs

### ▶ **Behavioral Health:**

- ▶ Higher primary care Medicaid reimbursement rates improve behavioral health outcomes among enrollees, indicating that primary care is efficient in improving behavioral health outcomes.

# What do we lose ? (continued)



## Needed Primary Care Workforce:

- ▶ From 2005—2015 PCPs as a % of total practicing physicians decreased from 44% to 37%.
- ▶ From 2005—2015 the number of PCP jobs grew by approximately 8%, while the number of jobs for specialists grew by approximately 6X that amount.
- ▶ Less than half of PCPs report that they would choose primary care if they could choose again (25%-46% depending on specialty).

**Compared with peer countries, the U.S. has fewer primary care clinicians and provides fewer primary care services.**

# There is a Fundamental Disconnect Between



The Importance of Primary Care



How Primary Care is Valued, e.g.,  
Primary Care Spend, Primary  
Care's Place in the Delivery System

# What does the evidence indicate we should spend on primary care?

U.S. healthcare markets with a larger percentage of PCPs have lower spending and higher quality.

Leading researchers suggest that doubling primary care spending -- to 10 –12% of total health care spending -- would likely pay for itself through resulting reductions in overall health spending

12% Primary Care Investment, OECD 2013







**How Do We  
Change this  
Dynamic?**

# Role of the PCPCC

Policy Solution: Increase Investment in Primary Care via APMs, including PCMHs, to Enhance Value

- ✓ Agreed upon measure of primary care spend – raise visibility, benchmark, catalyze research and action
- ✓ Use evidence to make the case to increase PC Investment
- ✓ Define consensus recommendations for increasing primary care investment
- ✓ Inform state legislative/regulatory efforts



# PCPCC Consensus Recommendations on Increasing Primary Care Investment



**Define the Challenge:**  
Standardized measure to track and report



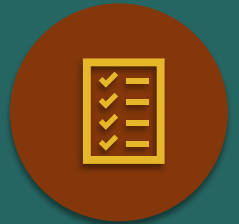
**Engage Stakeholders:**  
Broad stakeholder engagement and participation representing all parts of the community and healthcare delivery system



**Set Clear Goals:**  
Strengthen the ability of primary care to achieve the quadruple aim through targeted strategies that support unmet needs



**Align Payment:**  
Implemented through payment models that align incentives across participants, including consumers



**Evaluate Outcomes:**  
Evidence-based with appropriate outcome evaluation

# State Leadership to Date



## Rhode Island

Per regulation, RI measured and increased its primary care spending from 5.7% in 2008 to 9.1% in 2012.

## Oregon

2017 legislation mandated an increase in primary care spend by all health plans to 12% by 2023

## Delaware

In 2018, Delaware passed primary care legislation that may lead to an Oregon-like transformation. Stay tuned for an update in January.

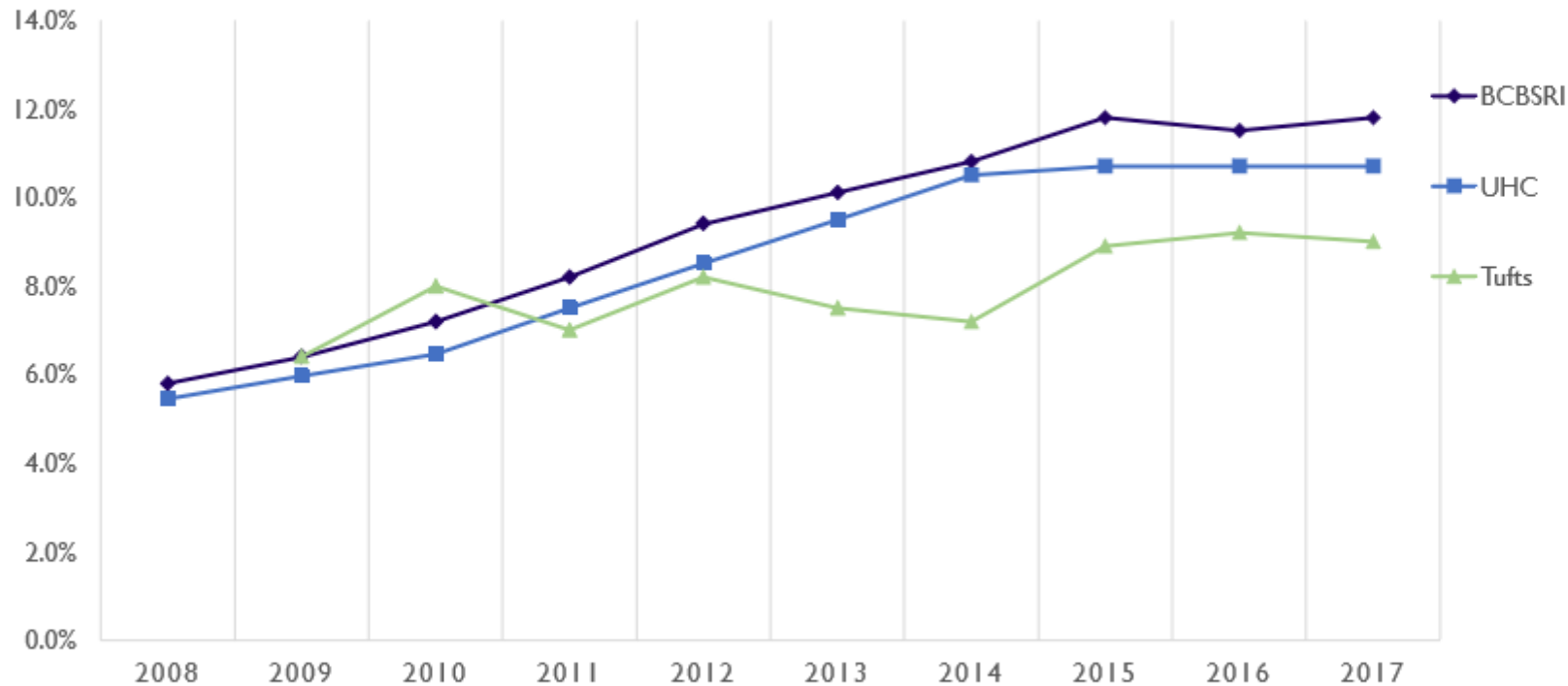
Many other states are leading, through legislation:

- Colorado
- California
- Vermont

# Spotlight on Rhode Island

## Making Primary Care a Priority for the State's Health Care System: A little gets you a lot.

Primary Care Spending as Percent of Total Medical Spending Insurer (2008-2017)



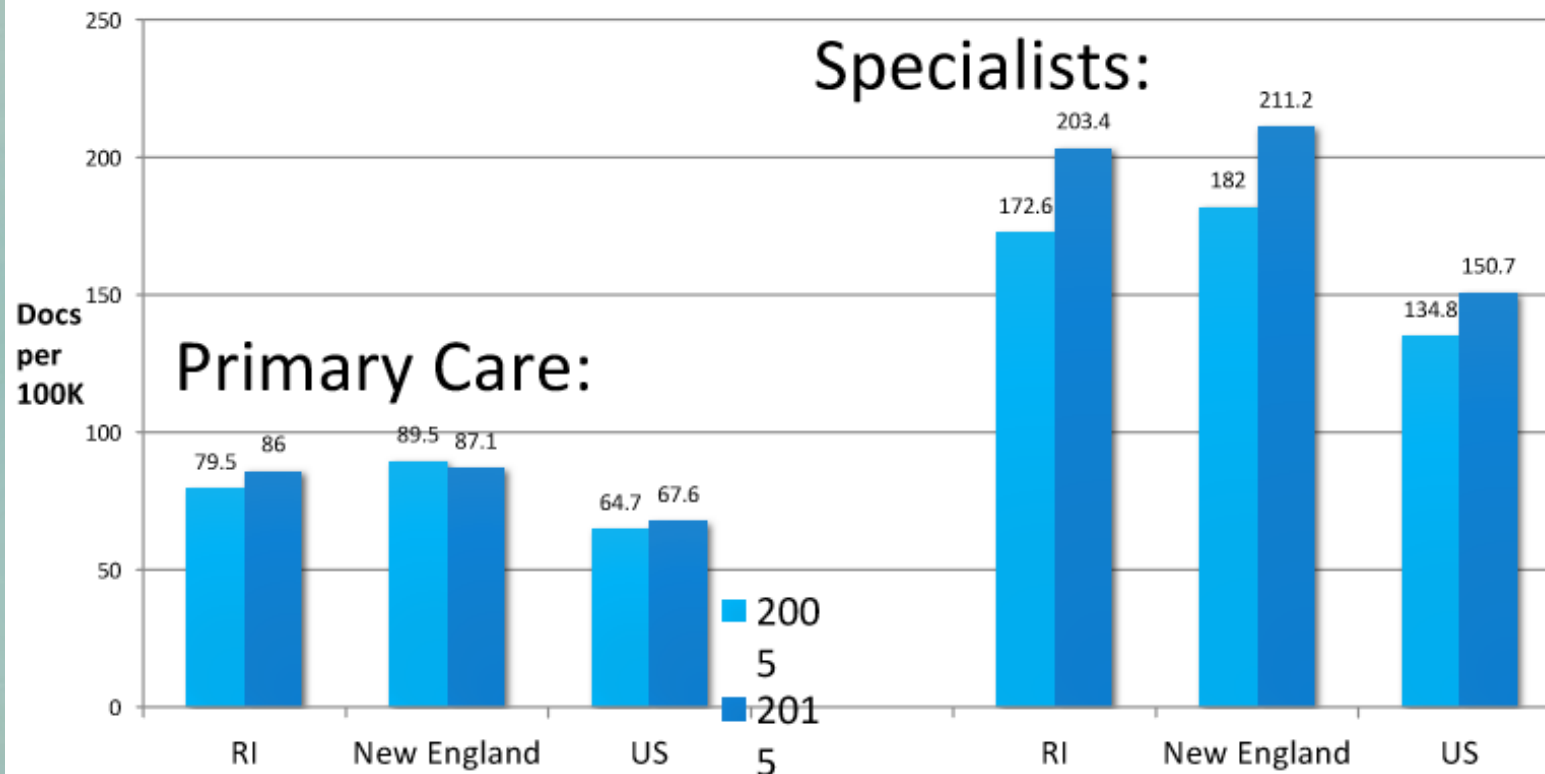
Source: Office of the Health Insurance Commissioner, State of Rhode Island

Increasing Primary Care Spend is high leverage:

In RI, primary care spending by commercial insurers increased from \$47 million/year to \$73/year over this period. Self insured not captured

# Spotlight on Rhode Island

## RI Defied Trends and Increased Primary Care Supply (No Specialty Flight)



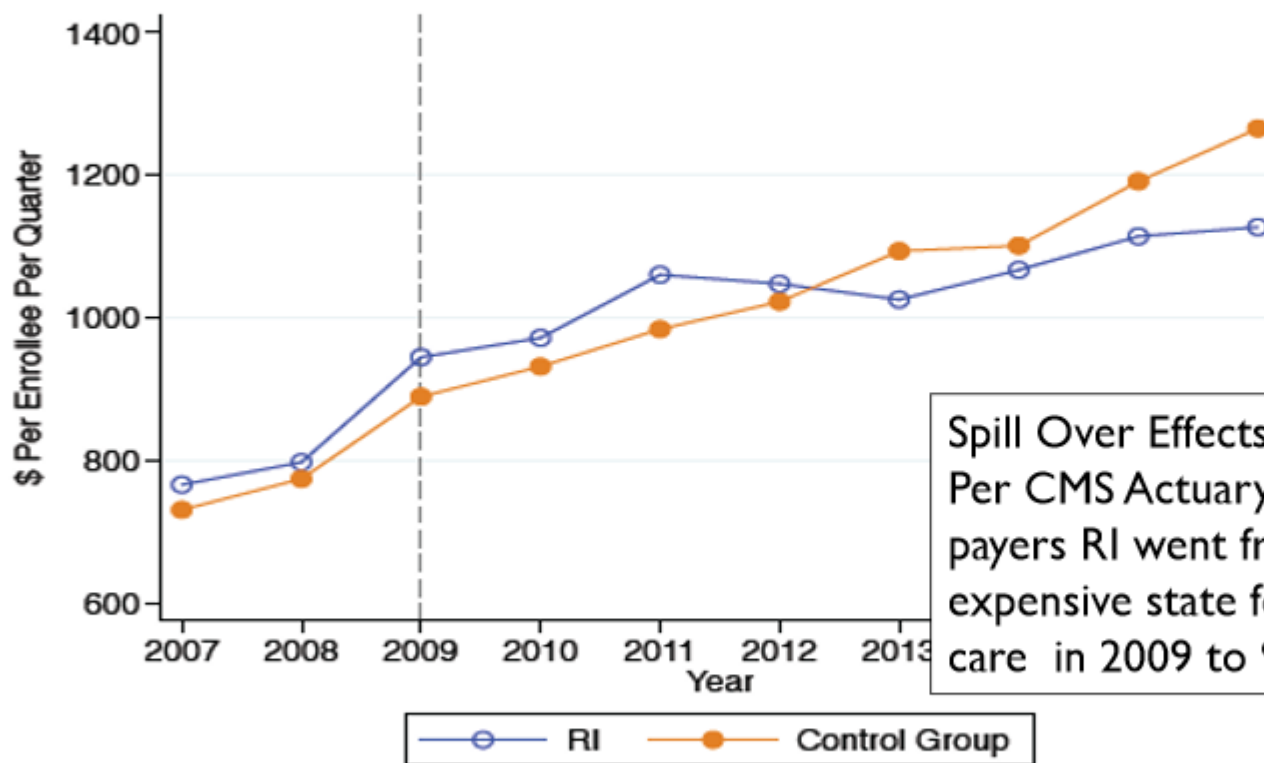
Notes: MDs only;  
Primary Care: FP, Peds,  
IM;  
Sources: AMA  
Licensure and  
Census.Gov



# Spotlight on Rhode Island

## Commercial Insurance Spend: Together, RI's Interventions Bent the Curve

Risk Adjusted Commercial Insurance Spending per Enrollees in Rhode Island vs. Matched Control



Spill Over Effects?  
Per CMS Actuary, across all payers RI went from 4th most expensive state for health care in 2009 to 9th in 2014.

Source: Landon et al, Academy Health Annual Research Meeting, 2018

# Spotlight on Oregon: Multi-Prong Approach

- ▶ **Focus on Practice Transformation:**

- ▶ 2009 initiated PCPCH; today @ 90% of Oregon primary care practices recognized as PCPCH

- ▶ **Medicaid Program Coordinates with Community Services:**

- ▶ CCOs initiated in 1990 waiver and evolved overtime with successive waivers, which gave MCOs flexibility on spend.

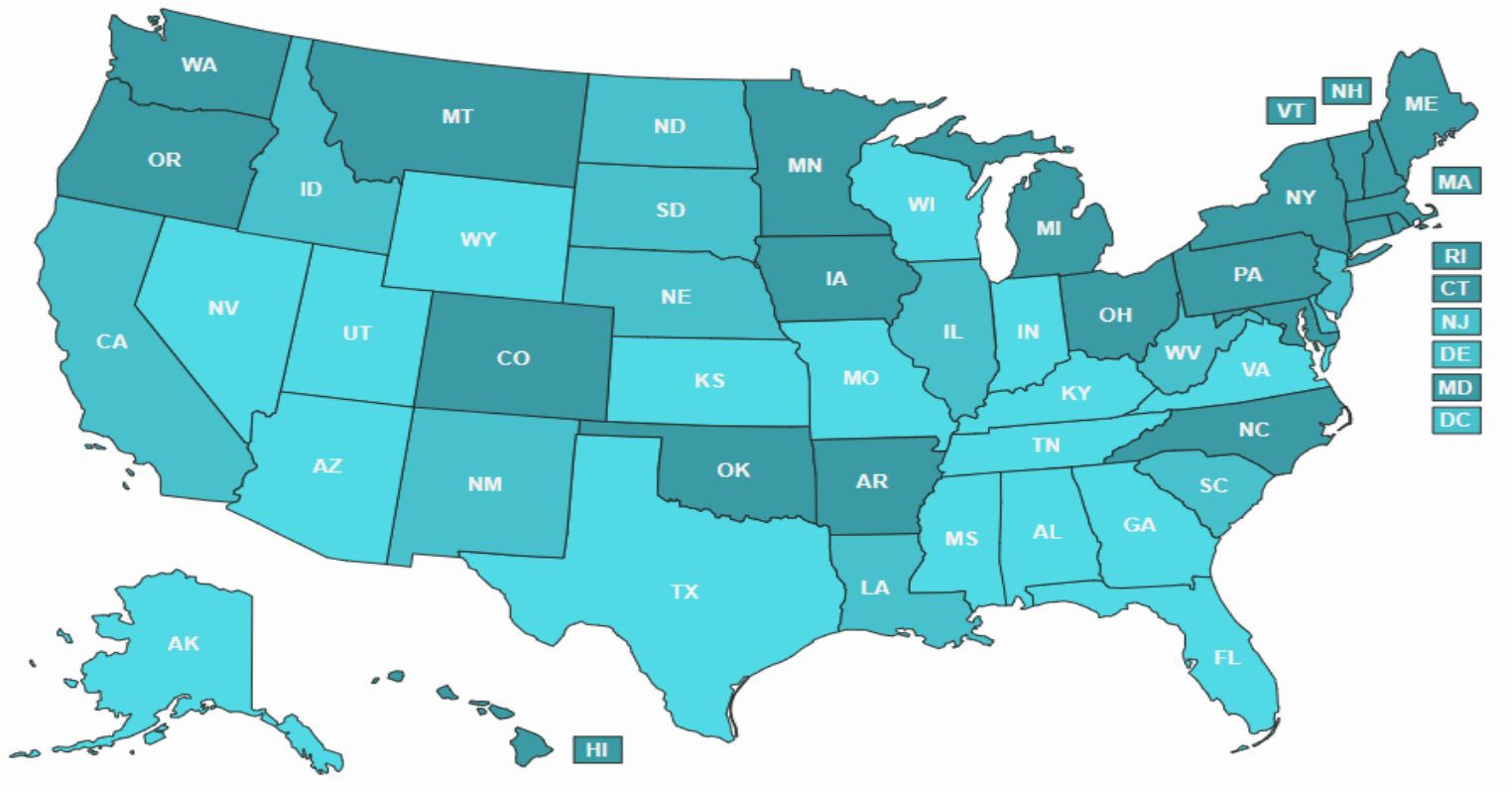
- ▶ **Primary Care Payment Reform Collaborative:**

- ▶ 2015 review of primary care spend across OR health plans showed wide variance of 6% to 18%



# Making the Case to the Oregon Legislature

- ▶ **Portland State University report on Oregon PCPCH program (Sept 2016) showed impressive results:**
  - ▶ Demonstrated a 4.2% reduction in per member cost
  - ▶ \$13 savings for every \$1 spent on primary care by avoiding unnecessary hospital & sub-specialty care
- ▶ **Given this evidence, in 2017 Oregon passed legislation unanimously to increase primary care investment to 12% by 2023.**



▶ **5** states have enacted or introduced legislation




▶ **6** additional states have indicated a desire to work on efforts to report or increase PC spend in 2019

# Lighting Prairie Fires Across the Country in Anticipation of a National Conversation in 2020

# Curve Balls to Avoid



- ▶ The perfect primary care spend measure and arguments about what is in/out
- ▶ The pristine all payer database
- ▶ Discounting the importance of examining current PC spend
- ▶ Over promising that increasing primary care spend is a silver bullet that solves all health system ills

- ✓ **1. Baseline and ongoing measurement** — begin the conversation
-  **2. Raise visibility of the issue** — comparisons within and across states can help drive the narrative
-  **3. Who are your spokespeople?** Multi-stakeholder leadership and advocacy is most successful
-  **4. Evidence Dissemination** — Savings and patient outcomes can change hearts and minds
-  **5. Connect with the PCPCC** — <https://www.pcpcc.org/resource/primary-care-investment-workshop>

## Next Steps

# Contact



Ann Greiner, President and CEO



202-417-2062



[agreiner@pcpcc.org](mailto:agreiner@pcpcc.org)



@PCPCC



[www.pcpcc.org](http://www.pcpcc.org)



Chris Adamec, Director of Policy



202-640-1212



[cadamec@pcpcc.org](mailto:cadamec@pcpcc.org)



@PCPCC



[www.pcpcc.org](http://www.pcpcc.org)