



Primary Care Investment Analysis and Recommendations Report

AUGUST 2024

DRAFT

Background



- ▶ In 2022, the Maryland General Assembly passed Chapter 667 (Senate Bill 734), *Maryland Health Care Commission – Primary Care Report and Workgroup*, mandating the Maryland Health Care Commission conduct an annual analysis of primary care and make recommendations on the level of primary care investment relative to overall health care spending
- ▶ The 2024 Primary Care Investment Analysis and Recommendations Report marks the first comprehensive analysis of primary care investment over the preceding year
 - Aims to update the legislature on progress in increasing investments in primary care and offers recommendations
 - If adopted, these recommendations could help address the urgent challenges within primary care

National Update



- ▶ Nearly 20 states have either enacted primary care investment initiatives, have them pending, or a combination thereof
- ▶ Colorado, Connecticut, Delaware, Oregon, and Rhode Island stand out as states with some of the longest-standing primary care investment targets
 - Colorado established for primary care providers and payers a set of annual priorities to guide investment and care delivery
 - Connecticut defines core functions for primary care teams, includes methods for assessing and recognizing performance, and defines a voluntary payment option in addition to Fee-for-Service
 - Delaware focuses new investment on providers engaging in care transformation activities
 - Oregon's Collaborative Care Organizations highlight the benefits of coordinating across primary care and behavioral health while prioritizing efforts to address patients' social needs
 - Rhode Island has a long-standing primary care medical home program that offers primary care providers the opportunity to earn additional payments
- ▶ Maryland, Nebraska, New Mexico, North Carolina, and Oklahoma have more recently established requirements or targets for primary care investment and are in the process of identifying strategies to achieve those goals

Payer Value-Based Care Environmental Scan



- ▶ Payers collectively reported 47 Alternative Payment Model contracts, of which approximately 12 were shared savings programs with downside risk, covering about 117,747 members of the commercial fully insured residents
 - Aetna - 10
 - CareFirst - 18
 - Cigna - 19, including 11 within Cigna's Accountable Care Organization (ACO) model
 - UHC - exploring opportunities to introduce value-based care programs tied to quality
- ▶ Overall, payers have focused their efforts on increasing investment in primary care largely through value-based care models, which have shown modest adoption over time
- ▶ They are primarily implemented in large health systems, often through ACO structures that focus on population health strategies



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Key Findings

APCD ANALYSIS OF PRIMARY CARE INVESTMENT

Caveats



- ▶ Data from MHCC's APCD for 2020-2023 was used to analyze claims from private payers, Medicare Advantage, and Medicare Fee-for-Service
 - Data year 2023 includes nine months of allowed claims incurred from January 1, 2023, through September 30, 2023, and three months of run-out claims
- ▶ Data was segmented by zip code and county, and an analysis was conducted on primary care investment relative to total health care spending from the previous year, both overall and by payer
- ▶ All major Medicare Advantage organizations are included, except for Johns Hopkins and Alterwood Advantage
 - Alterwood Advantage (relatively new payer to the APCD) began submitting data in calendar year 2024 for 2023
- ▶ Percent of members with Medicaid by zip code includes all Medicaid enrollees divided by the total population (commercial, Medicare ADV, Medicare FFS, and Medicaid) in a given zip code

Key Findings



- ▶ Difference in overall spending as a percent of total spending
 - Ranged from an average of 3.0 percent of total medical expenses for Medicare Fee-for-Service members to 6.1 percent of total medical expenses for commercial members

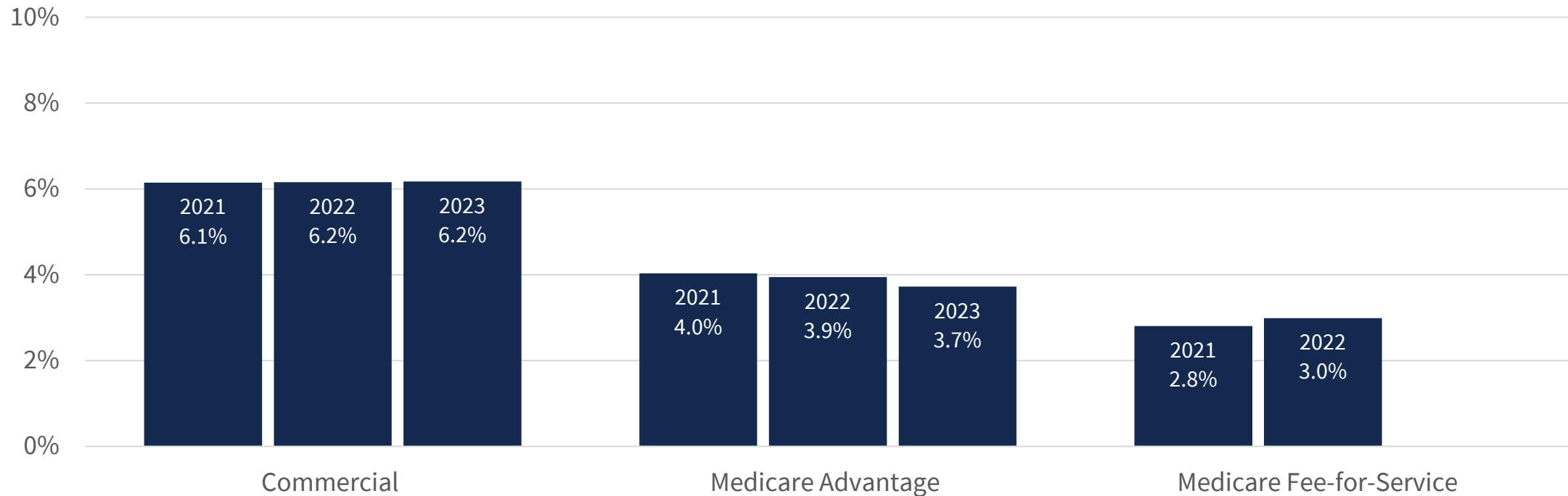
- ▶ Commercial payers generally consistent
 - Equaled approximately \$20 per member per month
 - Spending has declined on a per member per month basis

- ▶ Variation across Maryland counties
 - Ranged from 4.1 percent in Allegany County to 7.1 percent in Calvert, Frederick, Saint Mary's, and Wicomico Counties

Consistent Percent Total Spending



2021-2023* Percent Primary Care Spend (Primary Care Investment Workgroup Definition)

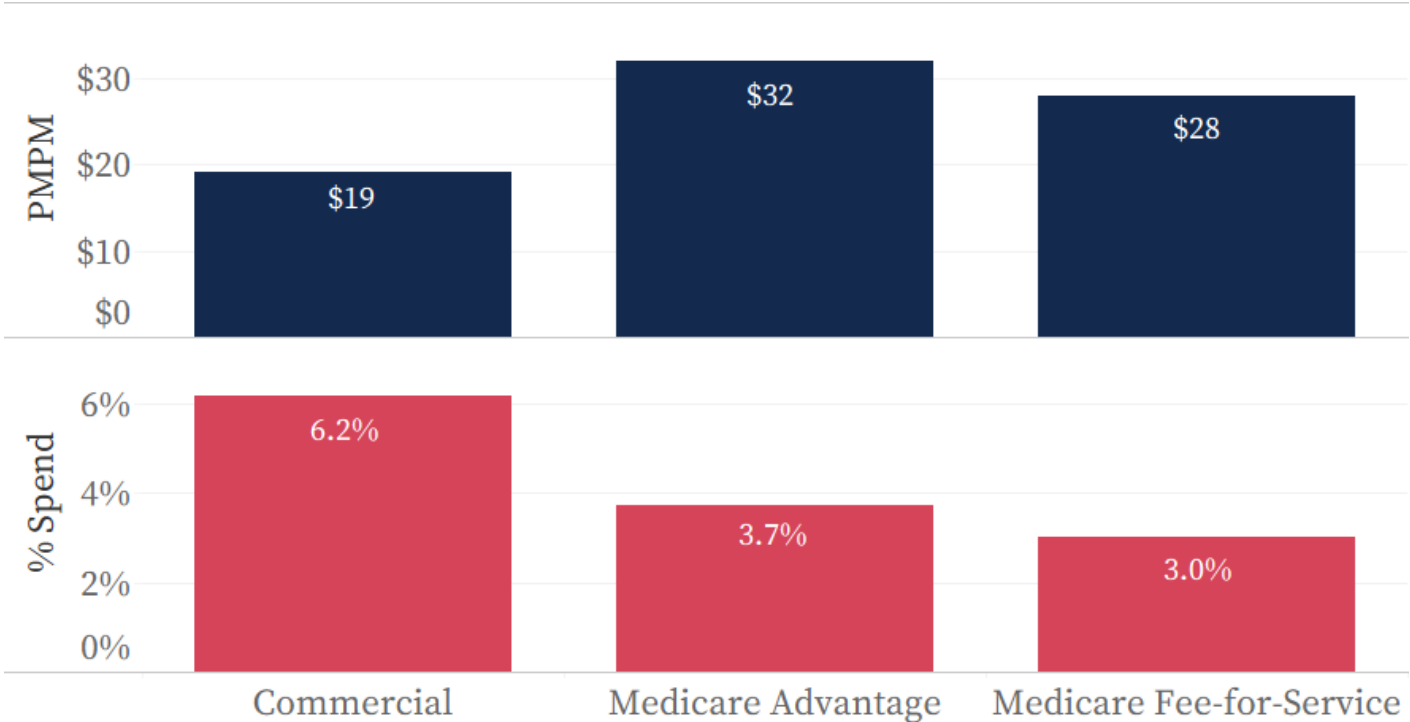


* Most recent data available for Medicare Fee-for-Service is 2022

Differences by Payer Type



2023* Primary Care Spend PMPM and Percent Spend (Primary Care Investment Workgroup Definition)

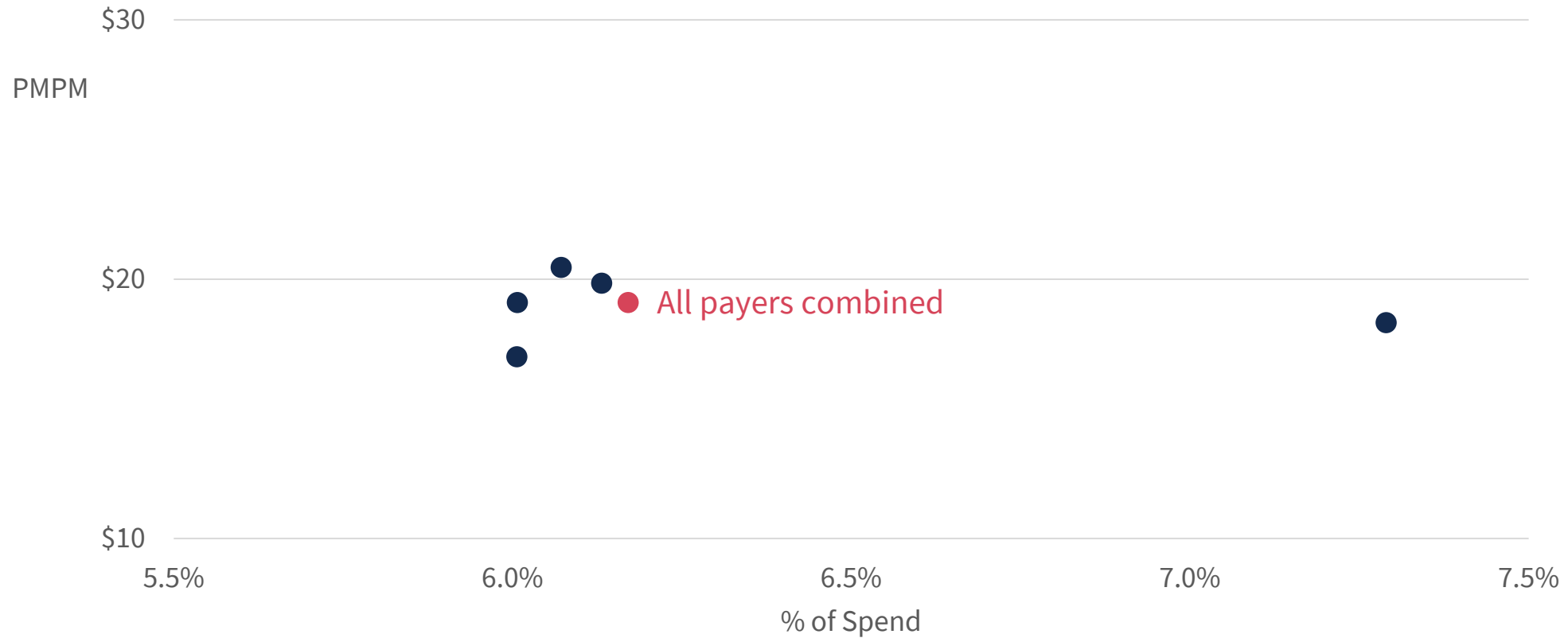


* Most recent data available for Medicare Fee-for-Service is 2022

Minimal Variation Across Commercial Payers



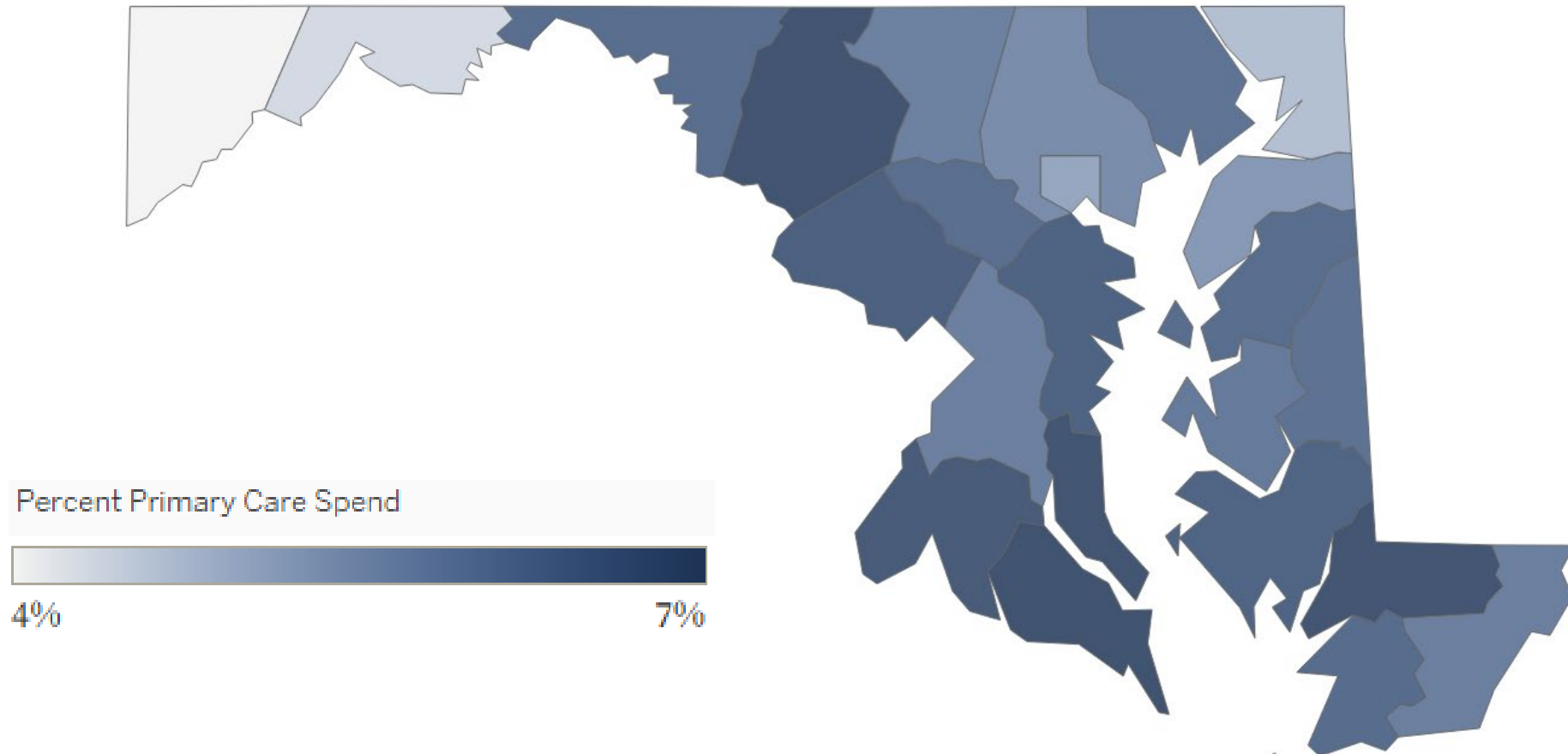
2023 Primary Care Spend PMPM and Percent Spend by Commercial Plan (Primary Care Investment Workgroup Definition)



Variation Across Maryland Counties



2023 Commercial Percent Primary Care Spend (Primary Care Investment Workgroup Definition)



Variation Across Maryland Regions



2023 Commercial Primary Care Spend (Primary Care Investment Workgroup Definition)

Region	% Spend	PMPM
Baltimore Metro	5.9%	\$18
Eastern/Southern MD	6.4%	\$19
DC Metro	6.5%	\$20
Western MD	6.3%	\$20
Total	6.2%	\$19

Variation Across Maryland Regions



2023* Medicare Advantage Primary Care Spend (Primary Care Investment Workgroup Definition)

Region	% Spend	PMPM
Baltimore Metro	3.2%	\$30
Eastern/Southern MD	3.7%	\$34
DC Metro	4.3%	\$31
Western MD	4.1%	\$44
Total	3.7%	\$32

*2023 Data includes 9 months of allowed claims incurred 1/1/2023 – 9/30/2023 with 3 months run-out

Variation Across Maryland Regions



2022 Medicare FFS Primary Care Spend (Primary Care Investment Workgroup Definition)

Region	% Spend	PMPM
Baltimore Metro	2.8%	\$27
Eastern/Southern MD	3.3%	\$27
DC Metro	3.1%	\$32
Western MD	3.2%	\$31
Total	3.0%	\$28



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Draft: Report Recommendations

FOR WORKGROUP DISCUSSION

Report Recommendations



- ▶ Require payers to annually report detailed information on primary care investments via the Alternative Payment Model Data Submission to assess the impact on health equity, quality, and cost resulting from increased investments in primary care
 - Enables the utilization of a comprehensive reporting structure to assess primary care investments in dollars and as a percentage of spend, integrating both claims and non-claims data to evaluate their impact on access, cost, quality, and equity
- ▶ Develop strategies for harmonizing the use of data to measure investment effectiveness on quality
 - Establish data use guidelines to supplement payers' internal analyses to support all payers in developing effective investment strategies

Report Recommendations *(continued)*



- ▶ Enact legislation that requires payers to increase investment in primary care as a percentage of total medical spending to meet annual minimum thresholds in line with the recommendations of the 2024 Primary Care Investment Analysis and Recommendations Report
 - Investments are aimed at primary care providers who participate in value-based care initiatives, or have achieved recognition from the National Committee for Quality Assurance as Patient-Centered Medical Homes
 - The Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model will require Maryland to meet primary care investment targets for Medicare, Medicaid, and the commercial market
 - Setting targets in Maryland law is appropriate given the AHEAD Model requirements

Next Steps



- ▶ Continue to support payers in identifying methods to boost investment in primary care and assessing the outcomes of these investments
 - This effort will involve integrating primary care investment measurement and aligning primary care payer models with the AHEAD Model
- ▶ Engage stakeholders in discussions on refining primary care investment goals and determining how these funds should be allocated among primary care providers
- ▶ Further explore effective approaches for recognizing non-claims payments for primary care services

Questions

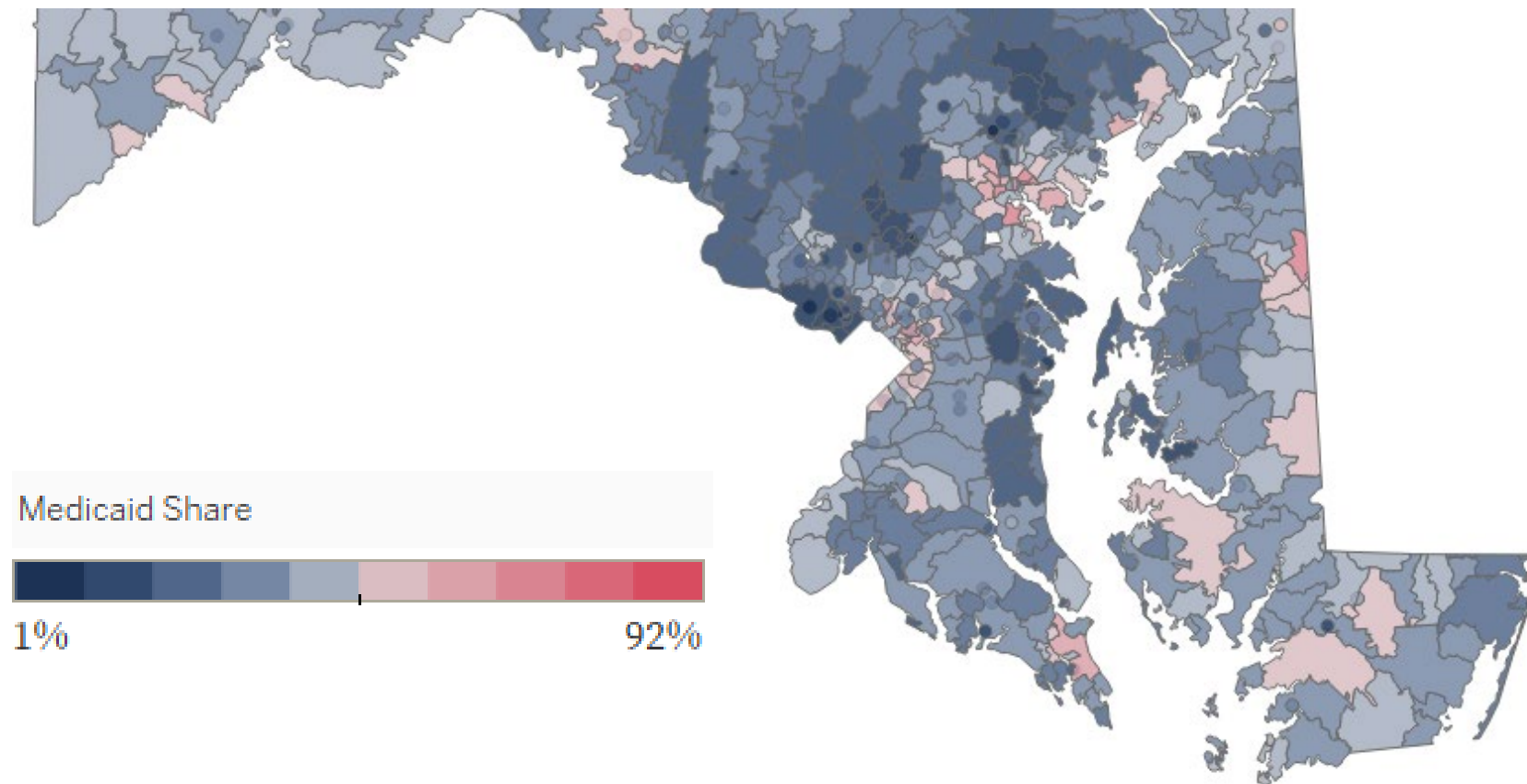




Appendix



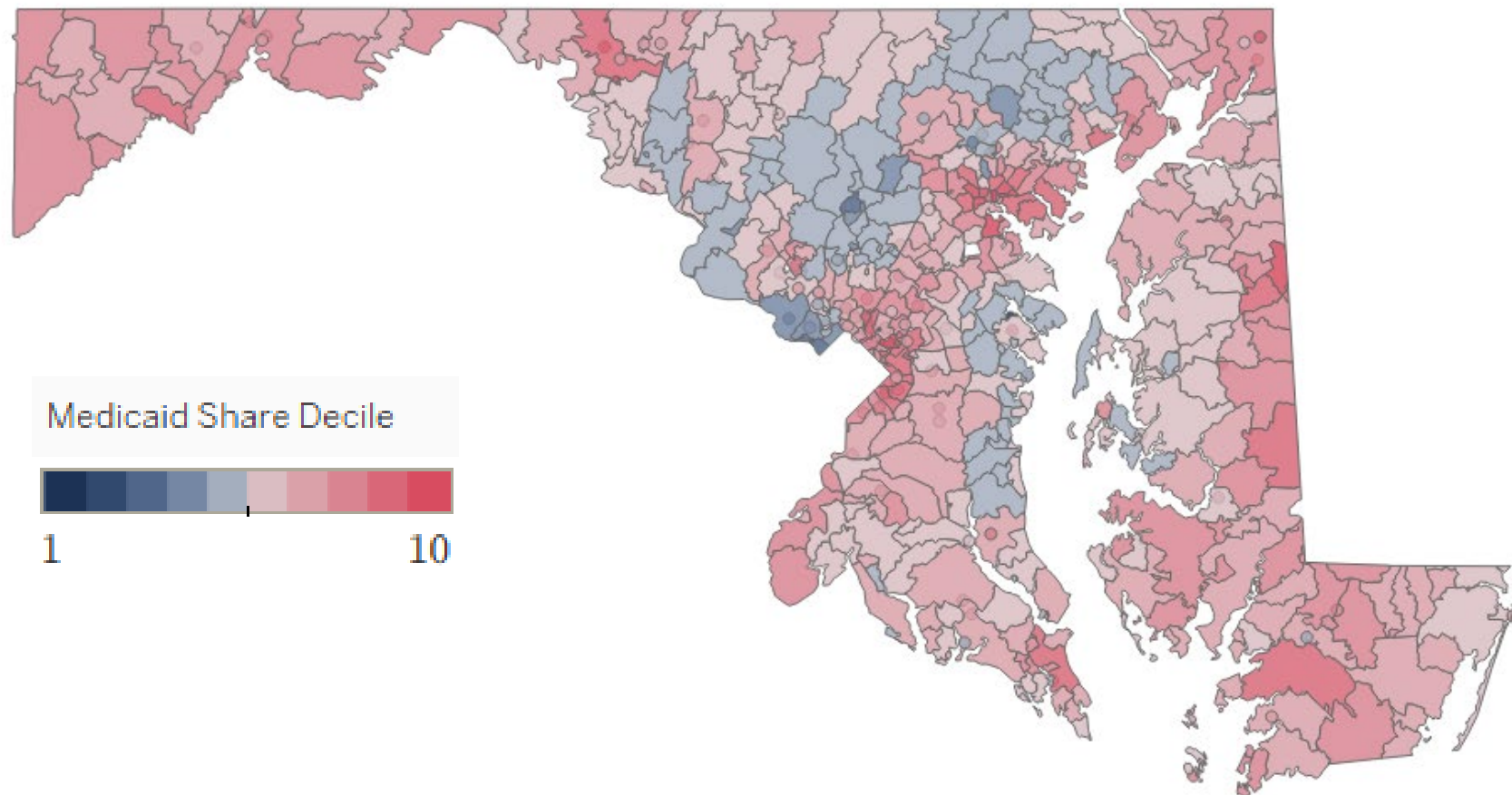
Percent of Members with Medicaid by Zip Code



Medicaid share: number of Medicaid enrollees divided by the total population (commercial, Medicare ADV, Medicare FFS, Medicaid) by zip code



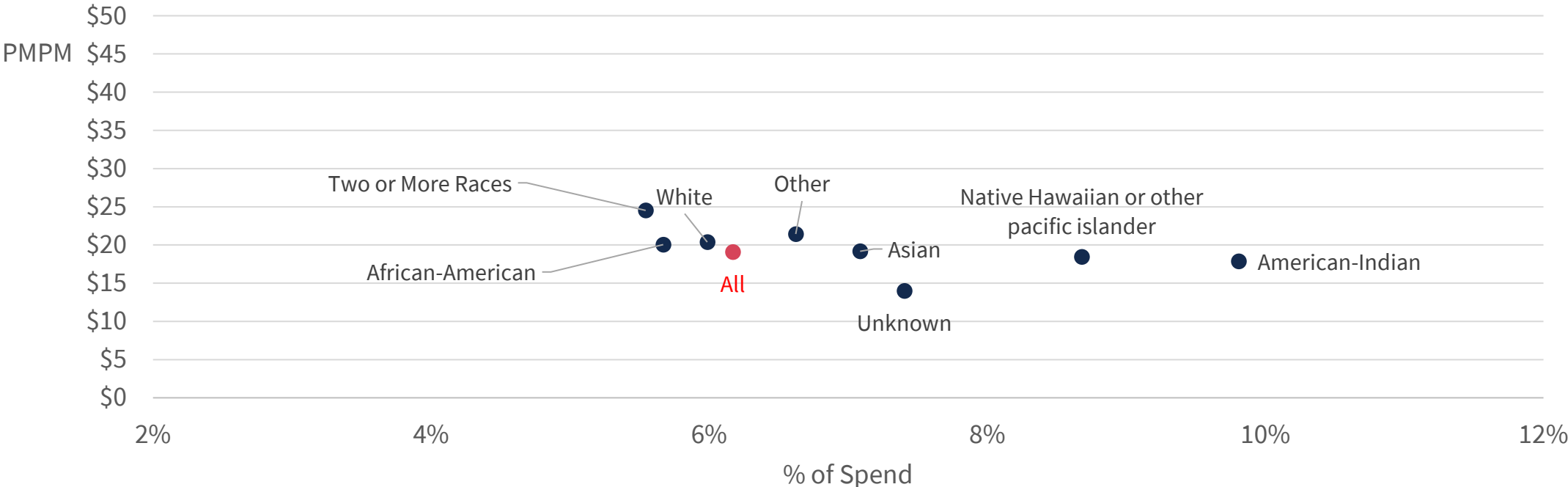
Decile of Share of Medicaid Members by Zip Code





2023 Commercial Primary Care Spend PMPM and Percent Spend by Race

(Primary Care Investment Workgroup Definition)





2023 Medicare Advantage Primary Care Spend PMPM and Percent Spend by Race (Primary Care Investment Workgroup Definition)

