PRIMARY CARE Investment

An AHEAD Model Comparison

DRAFT

AUGUST 21, 2024

Background

- In 2022, the legislature passed Senate Bill 734, *Maryland Health Care Commission – Primary Care Report and Workgroup*

- The law requires MHCC to convene a Primary Care Workgroup (Workgroup) to obtain input on the scope and methodology for the analysis; the Workgroup convened regularly in 2023 to develop a Primary Care Investment Analysis and Reporting Plan (Plan)

- The MHCC is required to annually report on ways to improve quality and access to primary care services, with special attention to increasing health care equity, reducing health care disparities, and avoiding increased costs to patients and the health care system based on the Plan beginning in December 2024

About the Plan

- The Plan serves as a strategic planning framework that will evolve over time to achieve primary care investment and care delivery goals
  - Revisioning investments in primary care will help address longstanding challenges that fall heavily on disadvantaged communities and improve linkages with community-based resources
- The Plan contains several domains identified by the Workgroup that provide the foundation to guide primary care analysis activities
- Other domains will be considered periodically to ensure the Plan keeps pace with the evolving primary care landscape

Comparison Table – Key Elements

Primary Care Investment		
Category	**PCIW *(Multistate Definition)***	**AHEAD**
Primary Care Definition	• Encompasses primary care office visits, preventive care, and a broad set of other services performed by a physician specializing in family medicine, general practice, internal medicine, preventive medicine, pediatrics, geriatrics, and includes nurse practitioners and or physician assistants practicing in one of these specialties • Primary care provider taxonomy codes used to calculate payer investments; includes providers delivering primary care services in a nursing home, federally qualified health centers (“FQHC”), urgent care center, retail clinic, or other non-traditional setting; behavioral health services; and obstetric and gynecologic services, when provided by a primary care provider • Includes services performed by a nurse midwife or behavioral health provider; requires the provider to be integrated into a primary care practice where services are billed under the taxonomy code of the primary care provider	• Uses the same specialties as the definition of primary care developed by the Primary Care Investment Workgroup (“PCIW”) and adds 30 psychiatry and obstetrics/gynecology specialties into the definition; these providers can bill either as part of or independent of a primary care practice • Medicare Current Procedural Terminology (“CPT®”)/Healthcare Common Procedure Coding System (“HCPCS”) codes and specialty codes (aligns with the Medicare Shared Savings Program) • FFS and non-claims-based payments are used to calculate the investment • FQHC or rural health clinics are counted as primary care regardless of provider specialty code as long as they included a primary care CPT®/HCPCS code (includes inpatient, outpatient, professional)
Investment	• Aims to achieve 10 percent increase on total medical spending for primary care by 2030; include a relative improvement goal of approximately one percent annually; adjust relative improvement goal periodically to achieve the aim	• Increases investment in primary care as a proportion of TCOC for Medicare FFS and across all-payers; CMS anticipates that the primary care intended target for Medicare will be between six and seven percent of Medicare TCOC
Strategy	• Investment target aligned across commercial payers and a different target for Medicaid and the managed care organizations (“MCO”); review annually and adjust as needed; an accountability mechanism for meeting targets and in using investments to enhance primary care • Spending calculation: per member per month, and as a percent of total medical expense; includes place of service filters; pharmacy spending and rebates, dental, and other supplemental expenditures will be excluded from the calculations; non-FFS spending will be excluded in the 2024 analysis and final report; use of this data will be considered in 2025	• All Medicare FFS spending (Parts A and B) for beneficiaries in the State who meet the eligibility criteria (e.g., residents in the State for a minimum defined timeframe) will be included in the Medicare FFS cost growth target calculation • States will be accountable for meeting both annual improvement targets throughout the duration of the Implementation Period and a final primary care investment target by the end of the Implementation Period
Calculation	• 39 taxonomy codes used to ensure specialty filter is inclusive of all primary care providers • 344 billing codes (CPT/HCPCS) included in the definition. Of these, 113 codes are included in the AHEAD definition.	• 16 provider specialty codes, which are broader than taxonomy codes, are used to identify primary care providers. The 16 specialty codes yield 57 taxonomy codes • 181 billing codes (CPT®/HCPCS) included in the definition

PCIW vs. AHEAD Model — Private Payers

Payers	Primary Care Spending as a Percent of Total Medical						%-Pt Difference		
	PCIW (Broad)			AHEAD			PCIW less AHEAD		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total	6.2%	6.3%	6.2%	8.2%	8.5%	8.3%	-2.0%	-2.1%	-2.2%

Payers	Primary Care PMPM Medical Spending						% Difference		
	PCIW (Broad)			AHEAD			PCIW v. AHEAD		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total	$23.64	$25.74	$19.09	$31.51	$34.48	$25.78	-25.0%	-25.4%	-26.0%

Note: 2023 includes 9 months of incurred claims paid through 12 months

PCIW vs. AHEAD Model — Medicare Advantage

	Primary Care Spending as a Percent of Total Medical						*%-Pt Difference*		
	PCIW (Broad)			*AHEAD*			*PCIW less AHEAD*		
Payers	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total	4.0%	3.9%	3.7%	5.4%	5.3%	4.7%	-1.4%	-1.4%	-1.0%

	Primary Care PMPM Medical Spending						*% Difference*		
	PCIW (Broad)			*AHEAD*			*PCIW v. AHEAD*		
Payers	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total	$39.25	$41.08	$32.00	$52.92	$55.50	$40.42	-25.8%	-26.0%	-20.8%

Note: 2023 includes 9 months of incurred claims paid through 12 months

PCIW vs. AHEAD Model — Medicare FFS

Payers	Primary Care Spending as a Percent of Total Medical						%-Pt Difference		
	PCIW (Broad)			AHEAD			PCIW less AHEAD		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Medicare FFS	2.9%	3.0%	3.0%	4.1%	4.2%	4.2%	-1.2%	-1.2%	-1.2%

Payers	Primary Care PMPM Medical Spending						% Difference		
	PCIW (Broad)			AHEAD			PCIW v. AHEAD		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Medicare FFS	$23.27	$28.62	$27.92	$33.17	$40.32	$39.26	-29.9%	-29.0%	-28.9%

PCIW vs. AHEAD Model — Private Payer/Region

Region	2023																		
	Primary Care Spending as a Percent of Total Medical													%-Pt Difference					
	PCIW (Broad)							AHEAD							*PCIW less AHEAD*						
	Aetna	CareFirst	CIGNA	Kaiser	UHC	Other	Total	Aetna	CareFirst	CIGNA	Kaiser	UHC	Other	Total	Aetna	CareFirst	CIGNA	Kaiser	UHC	Other	Total
Baltimore_Metro	5.9%	5.7%	5.9%	6.7%	6.3%	6.4%	5.9%	8.3%	7.5%	8.2%	10.1%	8.5%	8.1%	8.0%	-2.4%	-1.8%	-2.4%	-3.3%	-2.2%	-1.7%	-2.1%
Eastern/Southern_MD	5.9%	6.1%	6.2%	7.6%	6.0%	4.4%	6.4%	8.4%	8.1%	8.9%	10.8%	8.2%	6.4%	8.8%	-2.4%	-2.0%	-2.7%	-3.3%	-2.2%	-2.1%	-2.4%
DC_Metro	5.5%	6.7%	5.8%	7.0%	6.4%	8.1%	6.5%	7.6%	8.3%	7.7%	9.9%	8.0%	10.4%	8.2%	-2.1%	-1.6%	-1.8%	-2.9%	-1.6%	-2.4%	-1.7%
Western_MD	6.7%	6.2%	6.2%	7.7%	5.9%	11.5%	6.3%	9.1%	8.1%	8.4%	11.2%	7.8%	13.7%	8.3%	-2.4%	-1.8%	-2.2%	-3.5%	-1.9%	-2.2%	-2.1%
Total	**6.0%**	**6.0%**	**6.1%**	**7.3%**	**6.1%**	**6.3%**	**6.2%**	**8.4%**	**7.8%**	**8.5%**	**10.6%**	**8.2%**	**8.3%**	**8.3%**	**-2.4%**	**-1.8%**	**-2.4%**	**-3.3%**	**-2.1%**	**-2.0%**	**-2.2%**

PCIW vs. AHEAD Model — Medicare FFS/Region

Region	Primary Care Spending as a Percent of Total Medical						%-Pt Difference		
	PCIW (Broad)			AHEAD			PCIW less AHEAD		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Baltimore_Metro	2.6%	2.8%	2.8%	3.7%	3.9%	3.9%	-1.1%	-1.2%	-1.1%
Eastern/Southern_MD	3.1%	3.2%	3.3%	4.5%	4.7%	4.7%	-1.4%	-1.4%	-1.4%
DC_Metro	2.9%	3.1%	3.1%	4.0%	4.3%	4.2%	-1.1%	-1.1%	-1.1%
Western_MD	3.0%	3.2%	3.2%	4.2%	4.4%	4.5%	-1.2%	-1.2%	-1.2%
Total	**2.8%**	**3.0%**	**3.0%**	**4.0%**	**4.2%**	**4.2%**	**-1.2%**	**-1.2%**	**-1.2%**

PCIW vs. AHEAD Model — Medicare Advantage/Region

Region	2023																	
	Primary Care Spending as a Percent of Total Medical												%-Pt Difference					
	PCIW (Broad)						AHEAD						*PCIW less AHEAD*					
	Aetna	CareFirst	Kaiser	UHC	Humana	Total	Aetna	CareFirst	Kaiser	UHC	Humana	Total	Aetna	CareFirst	Kaiser	UHC	Humana	Total
Baltimore Metro	3.0%	3.7%	4.1%	2.8%	4.4%	3.2%	3.8%	4.6%	5.2%	3.5%	5.5%	4.1%	-0.8%	-0.9%	-1.1%	-0.7%	-1.1%	-0.9%
Eastern/Southern MD	3.5%	3.6%	4.4%	3.5%	4.0%	3.7%	4.4%	4.5%	5.6%	4.4%	4.8%	4.6%	-0.9%	-0.9%	-1.2%	-0.9%	-0.8%	-0.9%
DC Metro	3.9%	4.1%	5.0%	3.5%	5.6%	4.3%	5.1%	5.1%	6.3%	4.5%	6.8%	5.4%	-1.2%	-1.0%	-1.4%	-1.0%	-1.2%	-1.2%
Western MD	3.4%	5.1%	4.8%	3.6%	4.5%	4.1%	4.3%	6.4%	6.1%	4.5%	5.5%	5.1%	-0.9%	-1.4%	-1.3%	-0.9%	-1.0%	-1.0%
Total	**3.2%**	**3.8%**	**4.6%**	**3.2%**	**4.3%**	**3.7%**	**4.0%**	**4.7%**	**5.8%**	**4.0%**	**5.3%**	**4.7%**	**-0.9%**	**-0.9%**	**-1.3%**	**-0.8%**	**-0.9%**	**-1.0%**

PRIMARY CARE INVESTMENT SPENDING, AN EXPLANATION OF DIFFERENCES IN SPENDING RESULTS: PCIW AND AHEAD MODEL

** Analyses based on private payer data – 2022*

The Percent Spending Differences – PCIW And AHEAD Model

- The PCIW Model's overall PMPM is about $2.39 or 8.5 percent lower than the AHEAD PMPM, $25.74 vs. $28.13 for the same specialties
- The main specialty contributors (Internal Medicine, Family Practice, Pediatric Medicine, and Nurse Practitioner) account for about $2.35 or 98.3 percent of the $2.39 overall difference
- The primary driver for a lower PMPM in the PCIW Model vs. AHEAD for the same list of primary care specialties is that there are 55 less taxonomy codes for the PCIW Model than the AHEAD

Primary Care PMPM Spending by Specialty, 2022 — PCIW VS. AHEAD

Specialty	Specialty Code	PCIW	AHEAD	$ Δ	% Δ
Physician/Internal Medicine	11	$7.69	$7.98	-$0.29	-3.6%
Physician/Family Practice	08	$7.54	$7.84	-$0.30	-3.9%
Physician/Pediatric Medicine	37	$4.84	$5.67	-$0.84	-14.8%
Nurse Practitioner	50	$4.32	$5.24	-$0.92	-17.6%
Physician Assistant	97	$0.72	$0.76	-$0.04	-5.2%
Physician/General Practice	01	$0.51	$0.51	$0.00	0.1%
Physician/Geriatric Medicine	38	$0.11	$0.11	$0.00	0.8%
Certified Clinical Nurse Specialist	89	$0.01	$0.02	$0.00	-12.2%
Subtotal		**$25.74**	**$28.13**	**-$2.39**	**-8.5%**
Physician/Obstetrics & Gynecology	16		$4.24	-$4.24	
Physician/Psychiatry	26		$0.92	-$0.92	
Physician/Neuropsychiatry	86		$0.77	-$0.77	
Physician/Preventive Medicine	84		$0.04	-$0.04	
Certified Nurse Midwife	42		$0.27	-$0.27	
Physician/Addiction Medicine	79		$0.12	-$0.12	
Subtotal			**$6.35**	**-$6.35**	
Total		**$25.74**	**$34.48**	**-$8.75**	**-25.4%**

The Percent Spending Differences – AHEAD Model and PCIW *(continued)*

- Internal Medicine, Pediatric Medicine, Nurse Practitioner, and Certified Clinical Nurse Specialist make up 49 or about 89 percent of the 55-count difference in taxonomy codes

Number of Taxonomy Codes (Same Specialties) PCIW VS. AHEAD

Specialty	Specialty Code	PCIW	AHEAD	Diff
Physician/Internal Medicine	11	2	12	-10
Physician/Family Practice	08	4	9	-5
Physician/Pediatric Medicine	37	2	20	-18
Nurse Practitioner	50	8	18	-10
Physician Assistant	97	2	3	-1
Physician/General Practice	01	1	1	0
Physician/Geriatric Medicine	38	1	1	0
Certified Clinical Nurse Specialist	89	5	16	-11
Total		**25**	**80**	**-55**

Adding Psychiatry and Gynecology Specialties To The PCIW Definition

- The impact of adding psychiatry and gynecology specialties is about $6.31 or 24.53 percent increase in PMPM primary care spending
- Preventive Medicine is a specialty that is included in the AHEAD Model but not in the PCIW Model; including it will increase PMPM spending by about $0.04 or 0.13 percent
- The overall impact, including the addition of Preventive Medicine, is about $6.35 or 24.7 percent increase in PMPM primary care spending

Impact - Adding Psychiatry & Gynecology To PCIW

Categories	Impact
OB/GYN/Midwife	$4.50
Psychiartry/Addiction	$1.81
PCIW	$25.74
Total	$32.05
$ Δ	**$6.31**
% Δ	**24.53%**
Preventive Medicine:	
$ Δ	$0.04
% Δ	0.13%
Total	$32.09
$ Δ	$6.35
% Δ	24.7%

Adding FQHCs As Primary Care To The PCIW Definition

- The impact on PMPM primary care spending is negligible, about $0.001 or 0.01 percent increase

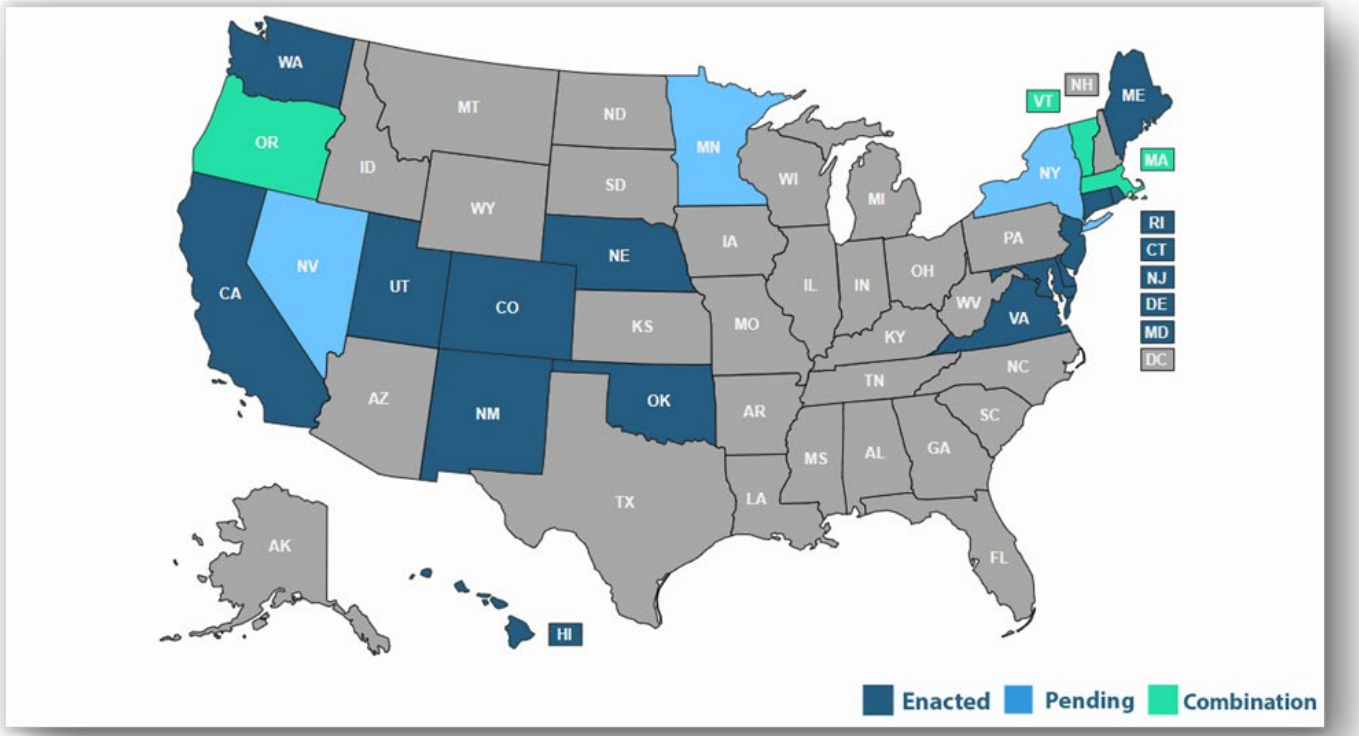
Impact - Adding FQHC To PCIW

Category	Impact
FQHC	$0.001
PCIW	$25.74
Total	$25.74
$ Δ	**$0.001**
% Δ	**0.01%**

THE END

Appendix Section

State-Level Primary Care Investment Legislation



State Primary Care Investment Initiatives (July 2024), available at: https://thepcc.org/primary-care-investment/legislation/map

National Legislation

2019

State	Focus	Status
Colorado	Requires the Insurance Commissioner to increase primary care spending	Passed
Maine	Defines primary care and details how primary care spending will transpire	Passed
Vermont	Determines the proportion of health care spending allocated to primary care	Passed
Washington	Determines by insurance carrier percentages of total expenditures for primary care	Passed
West Virginia	Establishes a Primary Care Council (PCC) to make available total expenditures for primary care	Passed

2020

State	Focus	Status
Connecticut	Sets benchmarks and aims to increase primary care spending to 10 percent of total spending by 2025	Passed

National Legislation *(Continued)*

2021

State	Focus	Status
Delaware	Establishes mandatory minimums for payment innovations and advanced payment models	Passed
Delaware	Requires primary care spending State benchmarking process	Passed
Hawaii	Requires Medicaid Managed Care Organizations (MCOs) to report and increase percentage of primary care spending	Passed
New Jersey	Requires Medicaid MCOs to report on percentage of primary care total spending	Passed
New Mexico	Establishes a PCC to report on primary care spending and to recommend policies, regulations, and legislation to increase access to primary care	Passed

2022

State	Focus	Status
California	Measure and promotes sustained investment in primary care and behavioral health and set spending benchmarks	Passed
Connecticut	Establishes an annual cost growth benchmark and primary care investment target	Passed
Maine	Sets targets for investment in primary and behavioral health care	Passed

National Legislation *(Continued)*

2022

State	Focus	Status
Nebraska	Establishes a PCC to measure primary care spending; recommends level of primary care investment across payers and steps to attain that target	Passed
Oklahoma	Requires MCOs to report on percentage of health care expenses devoted to primary care and spend 11 percent of total spend on primary care within four years	Passed
Utah	Requires the Health Data Committee to report on primary care spending	Passed
Washington	Requires the Health Care Transparency Board to report on primary care spending and progress towards increasing spend to 12 percent of total health care expenditures	Passed

2023

State	Focus	Status
Minnesota	Defines and requires reporting on primary care spending, including non-claims	Passed
Nevada	Defines and requires reporting on primary care spending as part of state cost benchmark	Passed
Oklahoma	Defines primary care; requires MCOs to spend 11 percent of total spend on primary care in four years	Passed
Massachusetts	Increases primary care investment; expands prospective primary care payment	Moving
North Carolina	Convenes primary care payment reform task force to measure primary care spending	Moving
New York	Defines and reports on primary care spending	Not Moving
Pennsylvania	Establishes a primary care task force	Not Moving