Increasing Primary Care Investment and Orientation: Experiences from Other States

Maryland Primary Care Program Advisory Council

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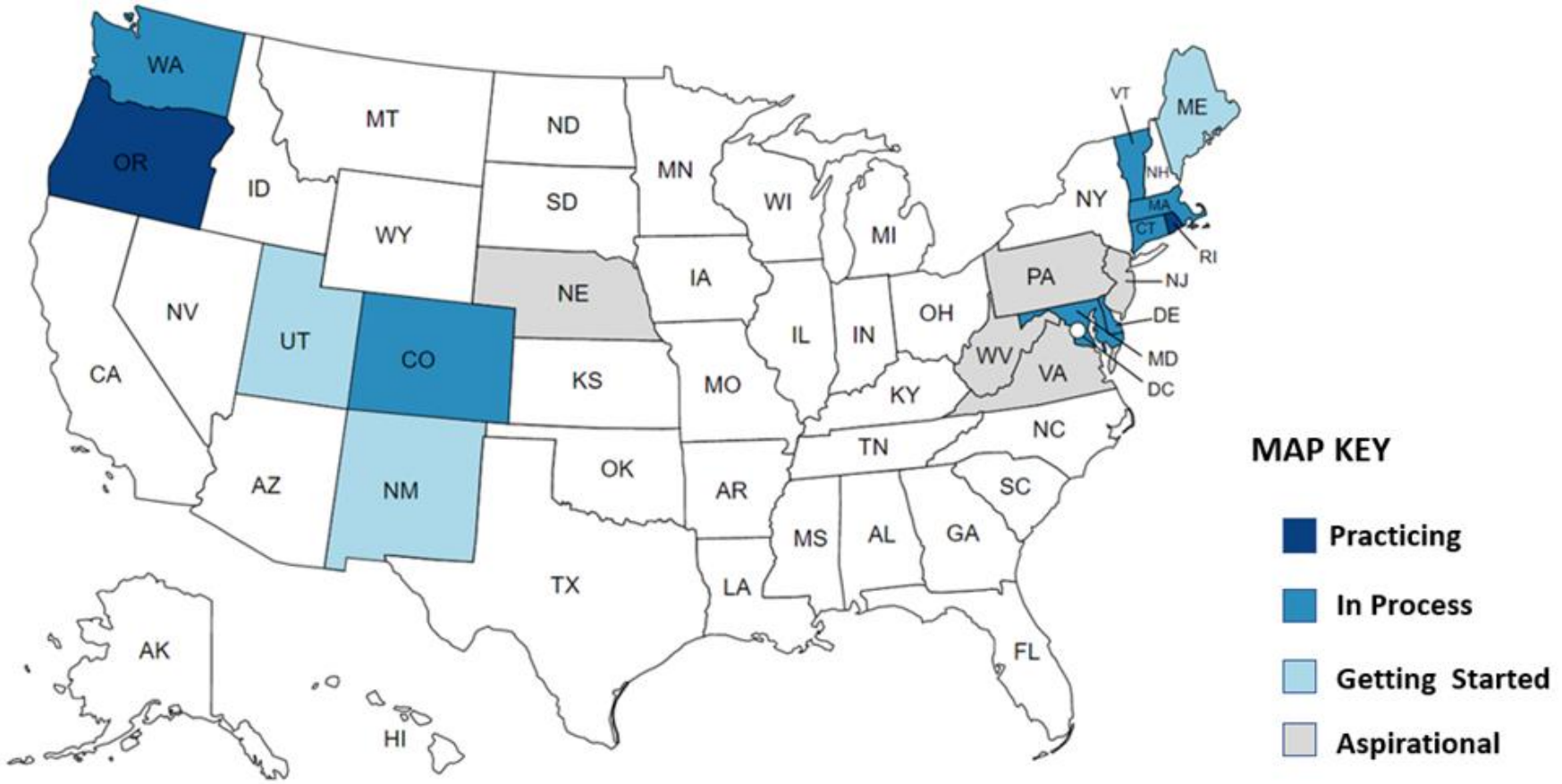
Goals for Today

- Share experiences from other states working to increase primary care investment and orientation
- Discuss approaches to primary care investment measurement
- Share the tradeoffs of key decisions in setting a primary care investment target

Advancing Primary Care Nationally



Source: Author analysis of primary care investment reports publicly available on state governmental websites. Current as of December 2021.

Why Primary Care

Increased supply of primary care services leads to improved, more equitable outcomes (e.g., life expectancy, rates of chronic disease, and other critical measures)

“Primary care is a common good, which makes the strength and quality of the country's primary care services a public concern.”

2021, National Academies of Sciences, Engineering, and Medicine (NASEM)

A Clear Vision for Primary Care

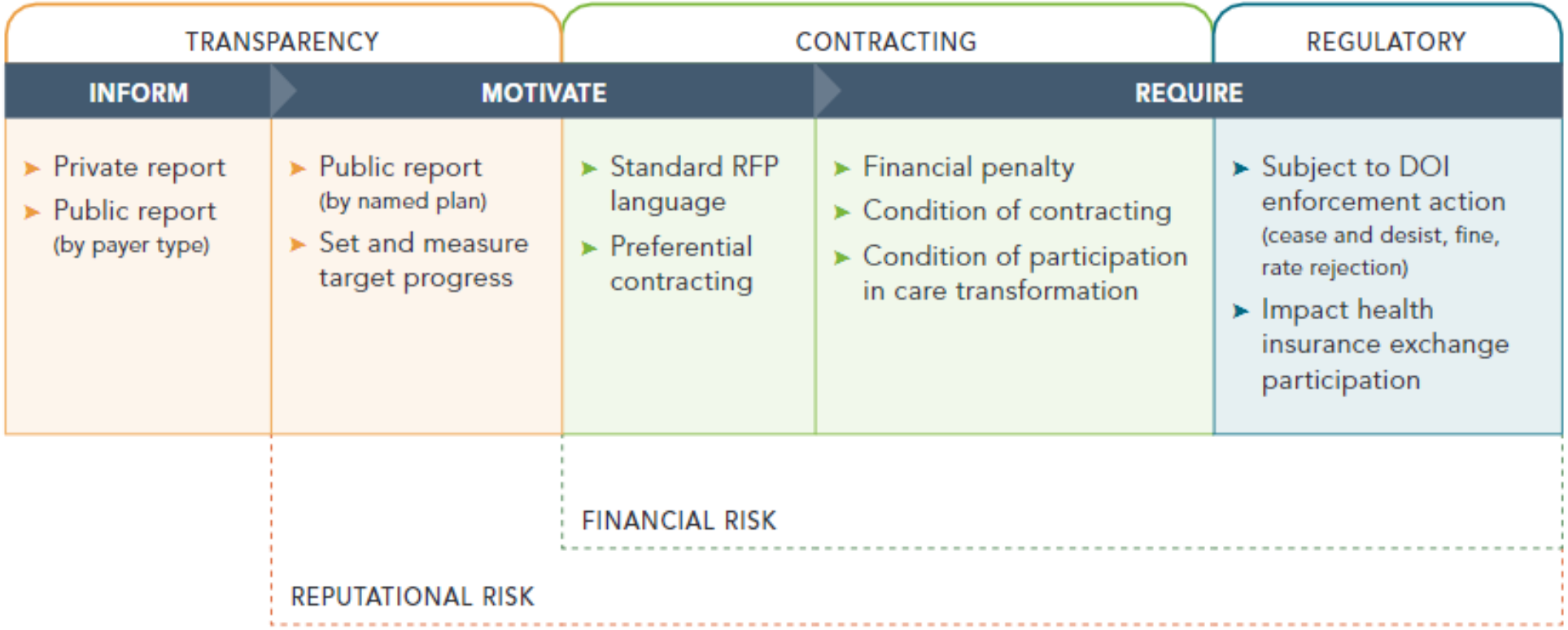
- States that are most successful tend to begin with a clear vision for primary care delivery.
- This vision helps guide measurement decisions, informs the level of necessary investment and creates a framework for accountability.
- The work of MDPCP has helped set this vision. Maryland will benefit from its experience to help inform the work ahead.

Functions of Advanced Primary Care

The Advanced Primary Care Equation

States with high performing primary care systems invest more, pay differently and expect more from primary care.

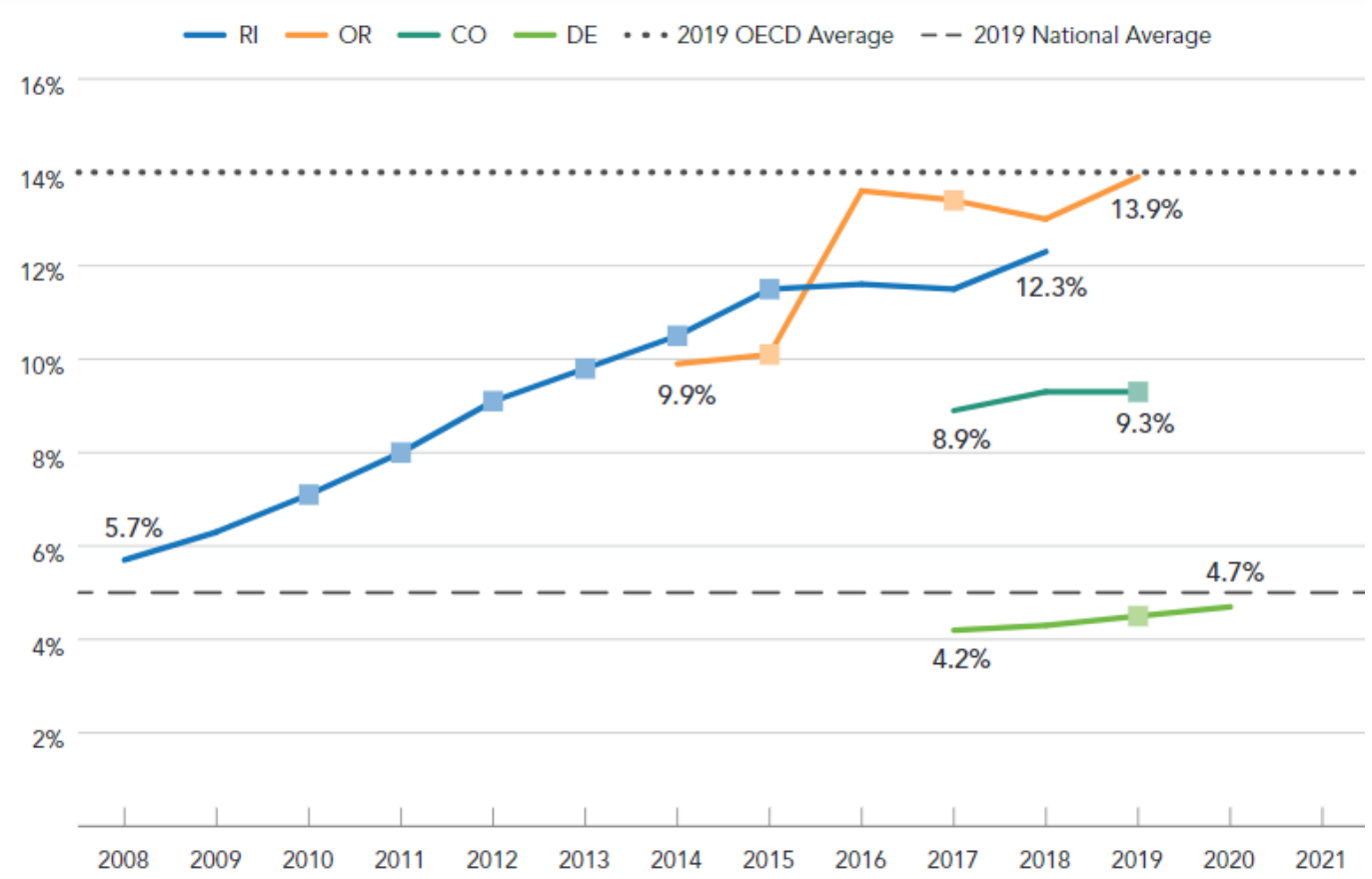
The Accountability Continuum



Notes: *DOI* is department of insurance; *RFP* is request for proposal.

Source: Author analysis of primary care investment reports, presentation materials, and other documentation publicly available on state government websites.

Four State Led Primary Care Efforts



RHODE ISLAND MILESTONES

2010–2014 Carriers required to increase by 1% per year.

2015 Carriers required to spend at least 10.7% on primary care.

COLORADO MILESTONE

2019 Primary care spending first reported; 1% increase not required until 2022 and 2023.

OREGON MILESTONES

2015 Law passed that requires reporting of primary care spend percentage by payer.

2017 Carriers/CCOs required to allocate at least 12% to primary care in 2023.

DELAWARE MILESTONES

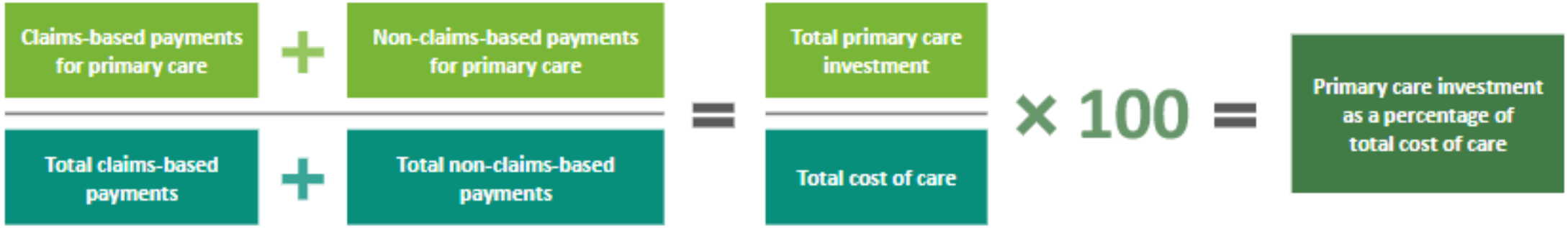
2019 PCRC set target to increase primary care investment to 12%.

2022 Carriers required to increase primary care spend to 7%, then 1.5% a year until 11.5%.

Note: State definitions and total cost of care differ which contributes to differences in investment percentages.

Source: Author analysis of primary care investment reports publicly available on state governmental websites.

Measuring Primary Care Investment



Source: Adapted from Erin Taylor, Michael Bailit, and Deepti Kanneganti, Measuring Non-Claims-Based Primary Care Spending, Milbank Memorial Fund, April 15, 2021.

Key Decisions for Setting a Target

Aspirational Goal or Minimum Floor

Single Target or Target for Each Payer Type

Absolute or Relative Improvement or Both

Percent of total cost of care or per member, per month amount

Defined Offset for Increased Cost

Measuring and Ensuring Accountability

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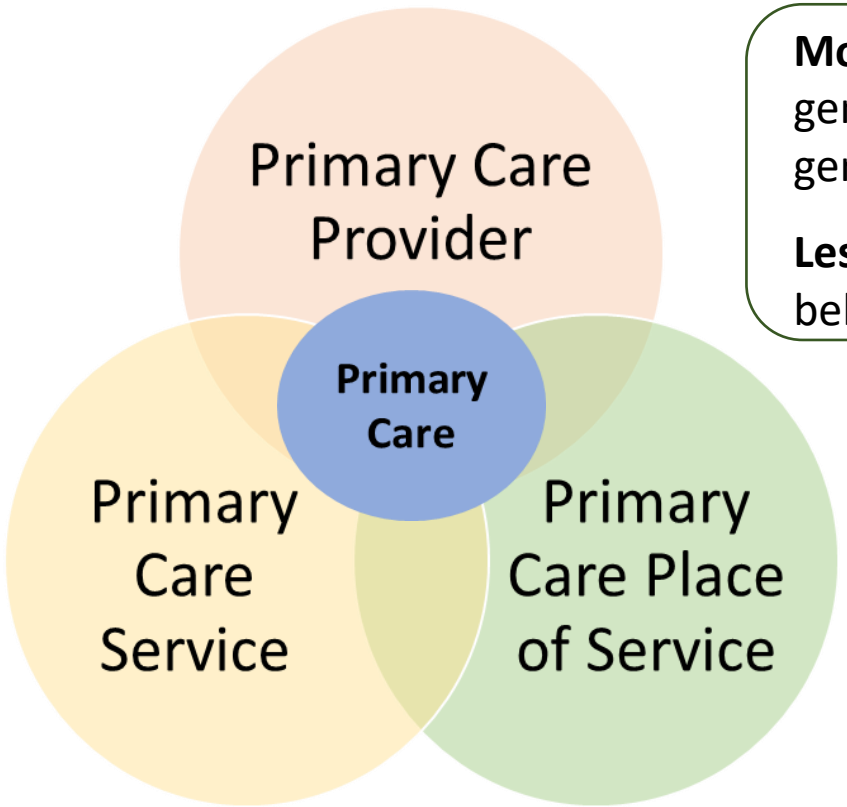
Appendix

Defining Primary Care: Claims Based Payments



Most Common: Office visits, preventive visits, vaccine administration, screenings, care coordination and management

Less Common: Procedures, behavioral health, maternity,

Most Common: Family medicine, general practice, pediatrics, NP/PA, geriatrician, FQHC/RHC

Less Common: Nurse, OB-GYN, behavioral health clinician

Most Common: Office, telehealth (home or other), walk-in retail clinic, FQHC/RHC, home

Less Common: Worksite, urgent care, school

Typical Data Sources

States measure primary care investment using a template completed by payors, the state's all payor claims database (APCD), or both.

APCD Benefits

- Payors do not have to submit any additional data
- APCDs "in-house measurement" helps ensure technical specifications are followed in a consistent way

Template Benefits

- May include data from members of self-insured plans
- Typically includes non-claims payments

Defining Primary Care: Non-Claims Based Payments

Framework	OR	RI	CO	CT	DE	MA	VT	ME	CA/IHA
Health Care Payment Learning and Action Network	✓		✓		✓				
Homegrown					✓	✓	✓	✓	
Milbank Memorial Fund / Bailit Health		✓		✓				✓	✓

Examples of non-claims payments defined as primary care tend to include capitation, care management, infrastructure, incentive payments (e.g., performance, reporting, risk settlements).

Challenges of Measuring Non-Claims Payments

- There is little standardization of categories and definitions of non-claims payments across plans and across states. They typically support specific programs at the plan level or at the state level and therefore can vary widely.

- There is minimal or no transparency into the portion of the non-claims payments dedicated to primary care. This is a particular challenge for risk-settlement payments paid to a large health system.

- It is difficult to verify whether data submissions are accurate or reflect the intention of the technical specifications.

Non-claims matter: NESCSO found that including non-claims payments increased primary care investment between 0.2% (for Connecticut) to 4.5% (for Massachusetts).

Important Considerations for Defining Total Cost of Care

Retail Pharmacy in the Denominator:

- States that include pharmacy typically do so to align with other definitions of total cost of care currently in use.
- Pharmacy spending is typically inflated since it does not deduct rebates, which is estimated at more than 25% of total pharmacy spend.
- This may be good; higher denominator equals higher primary care investment target. It can also generate push back that is hard to dispute.

Differing Services Across Payor Types:

- Payor types (e.g., Medicaid, Medicare, Commercial) differ in benefits offered, reimbursement structure and service utilization.
- These differences result in differences in total cost of care and, in turn, primary care investment as a percent of total cost of care.
- Standardizing covered services is an important first step to achieving more equitable comparisons.