



Primary Care Investment Analysis and Recommendations Report

OCTOBER 17, 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 MHCC 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 (a 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

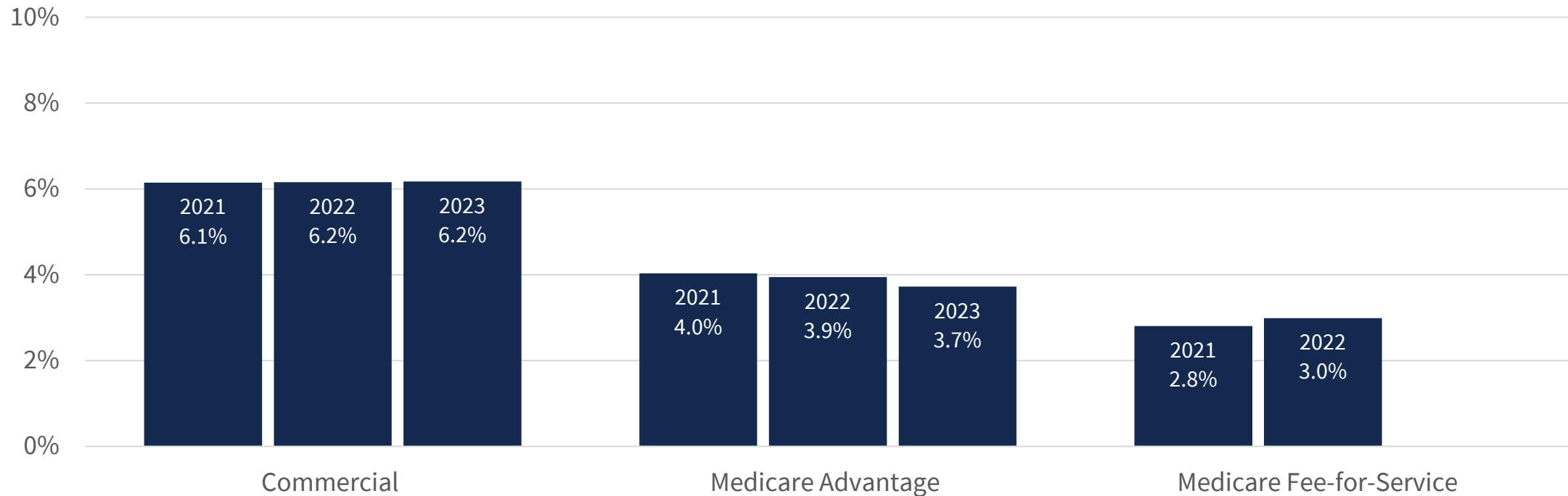
- ▶ Commercial payers generally consistent
 - Equaled approximately \$20 per member per month
 - Spending has declined on a per member per month basis

- ▶ 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)

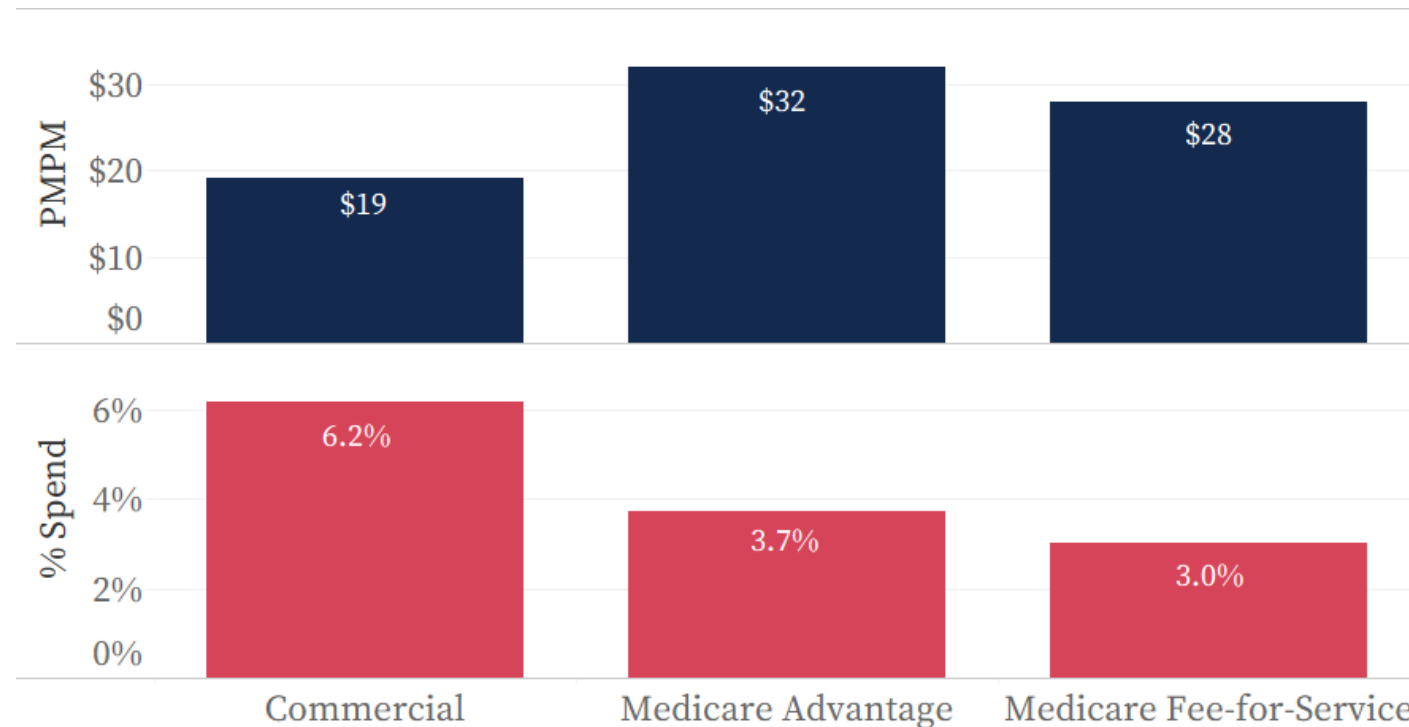


* Most recent data available for Medicare Fee-for-Service is 2022

Differences by Payer Type



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

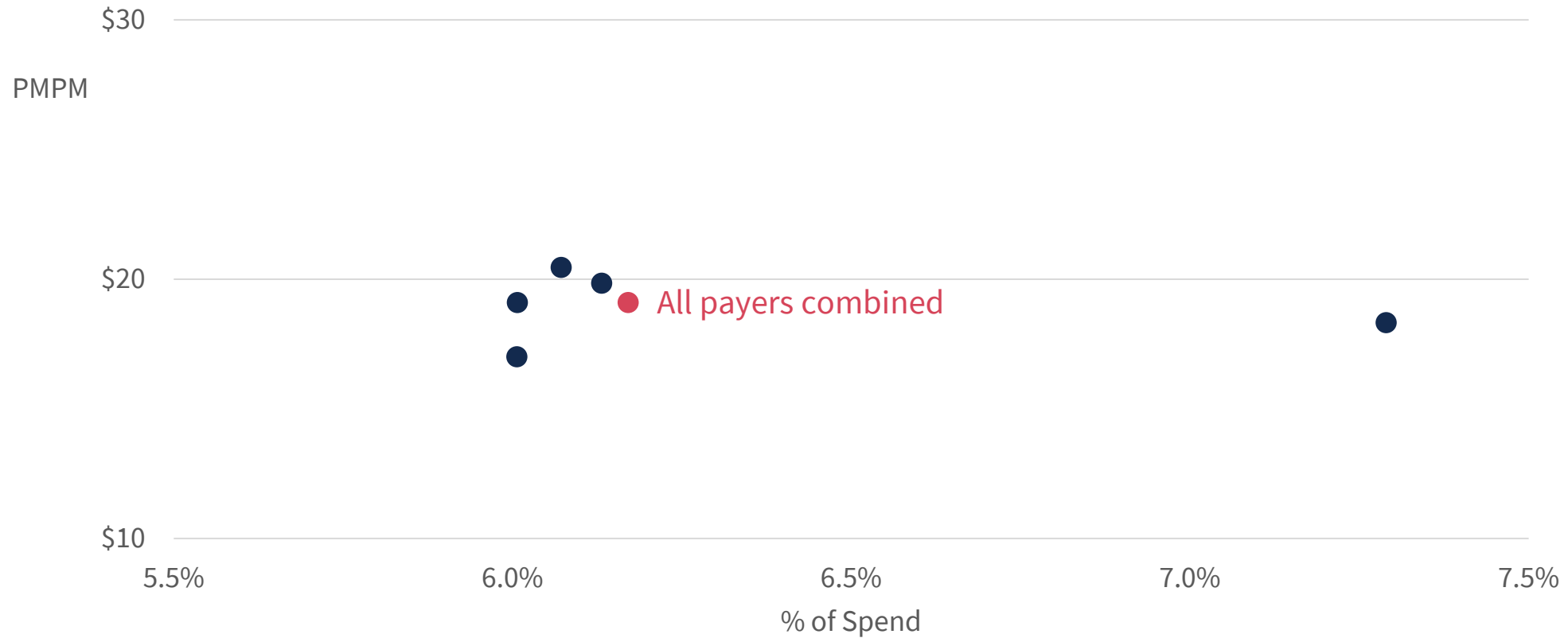


* Most recent data available for Medicare Fee-for-Service is 2022

Minimal Variation Across Commercial Payers



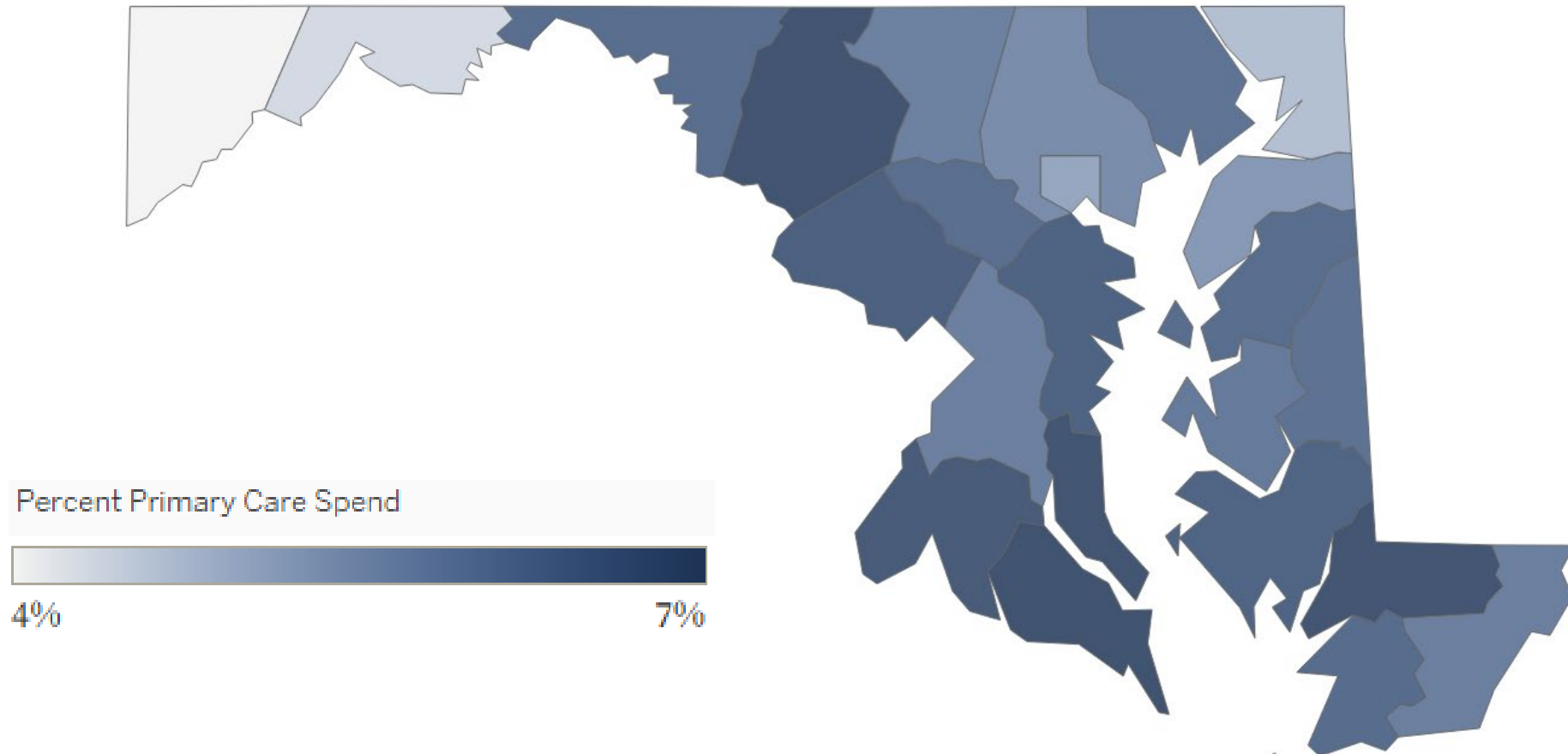
2023 Primary Care Spend PMPM and Percent of Spend by Commercial Plan (Primary Care Investment Workgroup Definition)



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

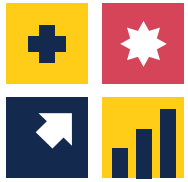
*2023 Data includes 9 months of allowed claims incurred 1/1/2023 – 9/30/2023 with 3 months run-out

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. This legislation should be introduced after the State has agreed on the definition of primary care and signed the AHEAD Model Participation Agreement with the federal government and implementation is underway.
 - 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

Staff Recommendation



Staff requests the Commission to approve the release of the 2024 Primary Care Investment, Analysis and Recommendations Report, as required by Chapter 667 (Senate Bill 734), *Maryland Health Care Commission – Primary Care Report and Workgroup* (2022)

Questions





Appendix

Primary Care Workgroup Membership



Membership Category	Organization (28 Members)
Maryland General Assembly	Senate
Maryland Primary Care Program	MDPCP/MDH
Health Services Cost Review Commission	HSCRC
Maryland Insurance Administration	MIA
Health Care Financing Division of the Maryland Department of Health	Medicaid
Maryland Academy of Family Physicians	MDAFP
Maryland Chapter of the Maryland Academy of Pediatrics	MDAAP
Maryland Section of the American College of Obstetricians and Gynecologists	MDACOG
Maryland Nurses Association	MNA
Maryland Affiliate of American College of Nurse Midwives	Maryland Affiliate of ACNM
Maryland Community Health System	MCHS
Mid-Atlantic Association of Community Health Centers	MACHC
Maryland Hospital Association	MHA
Accountable Care Organization	Aledade
Primary Care	MEDIS, LLC; Johns Hopkins Clinical Alliance; Johns Hopkins Clinical Alliance; Patient First; University of Maryland School of Medicine
Payer	CareFirst BlueCross BlueShield; Funk & Bolton P.A.; Kaiser Permanente of the Mid-Atlantic; Amerigroup Maryland, Inc. & Maryland MCO Association
Health Services Researcher with Expertise in Primary Care	Johns Hopkins Bloomberg School of Public Health
Other Representatives	Health Care For All; MidAtlantic Business Group on Health; Perdue Farms; State of Maryland; Independent Consultant/Retired Senior Health Actuary at U.S. Office of Personnel Management

Key Maryland Initiatives



- ▶ **The Maryland Multi-Payor Patient Centered Medical Home Program** – Launched a three-year pilot in support of legislation passed during the 2010 session of the Maryland General Assembly; the program was extended through 2016*
 - Practices – Approximately 52
 - Payers – Medicaid and the five largest carriers: Aetna; CareFirst BlueCross BlueShield; Cigna Health Care, Mid-Atlantic Region; Coventry Health Care; and UnitedHealthcare, Mid-Atlantic Region; the Federal Employees Health Benefit Plan, Maryland State Employees Health Benefit Plan, and TRICARE participated voluntarily

* *Chapters 5 and 6, 2010 Laws of Maryland*

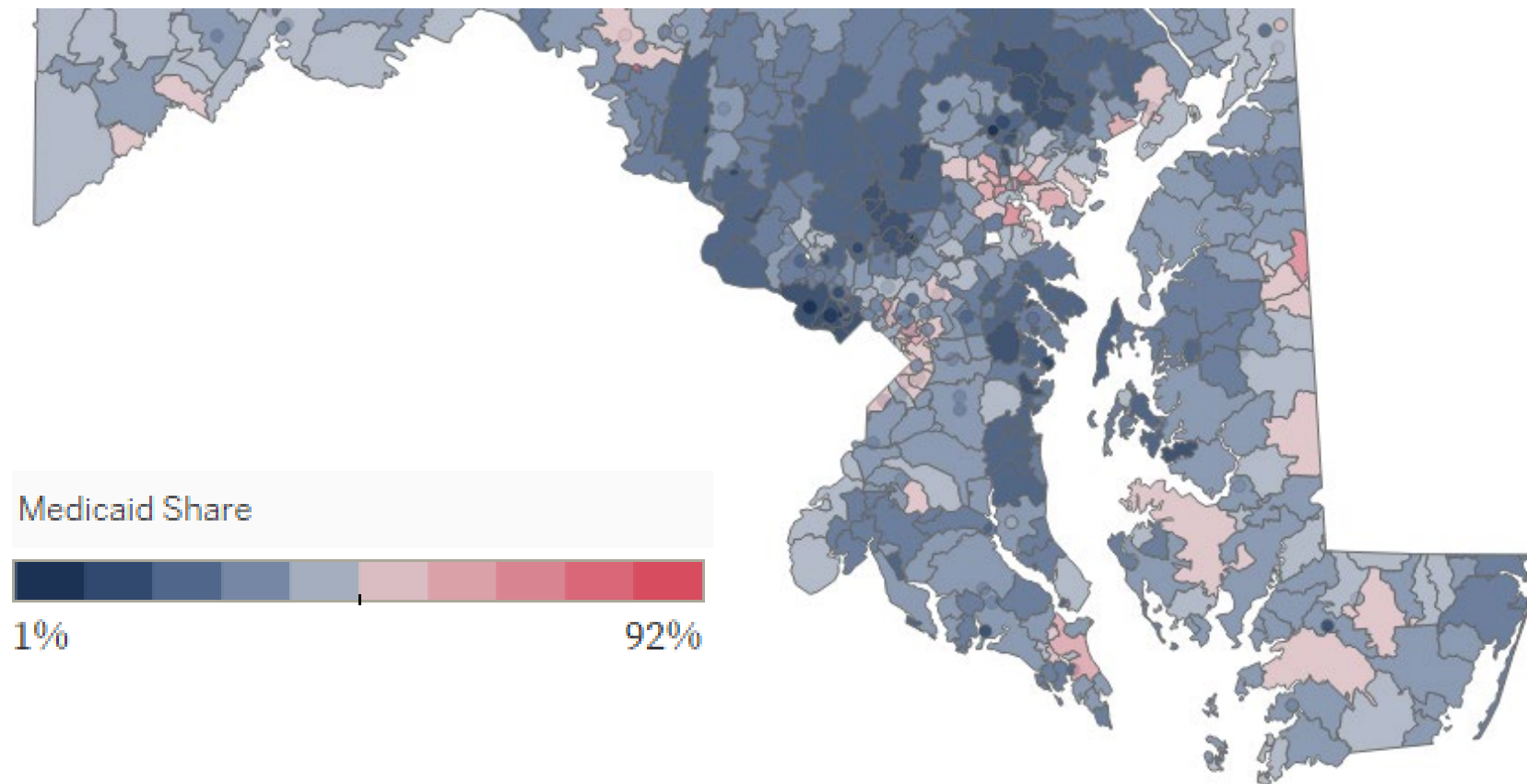
Key Maryland Initiatives *(Continued)*



- ▶ **The Maryland Primary Care Program (MDPCP) Launched In January 2019** – A central element of the Total Cost of Care model and is similar to other CMS Value-Based Care models
 - A voluntary program open to all qualifying Maryland primary care providers; provides funding and support for the delivery of advanced primary care throughout the State
 - As of January 2023, nearly 586 practices participate in the MDPCP, participation spans all counties and includes an FQHC with 48 unique sites across the State
 - Includes an MHCC convened Advisory Council that provides input to the operations of the MDPCP, serving a consultative and advisory role to the Secretary of the Maryland Department of Health and the Program Management Office



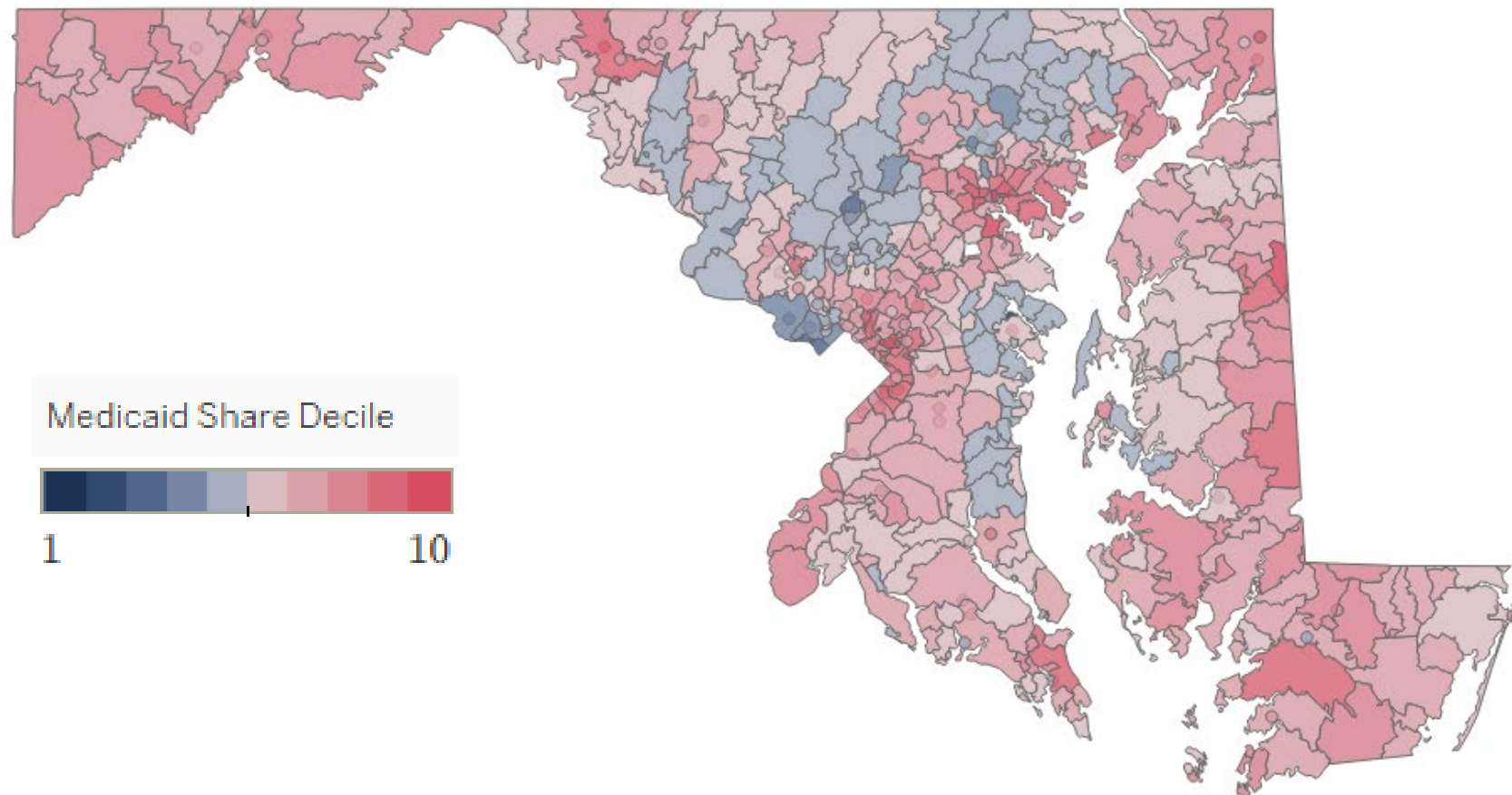
Percent of Members with Medicaid by Zip Code



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

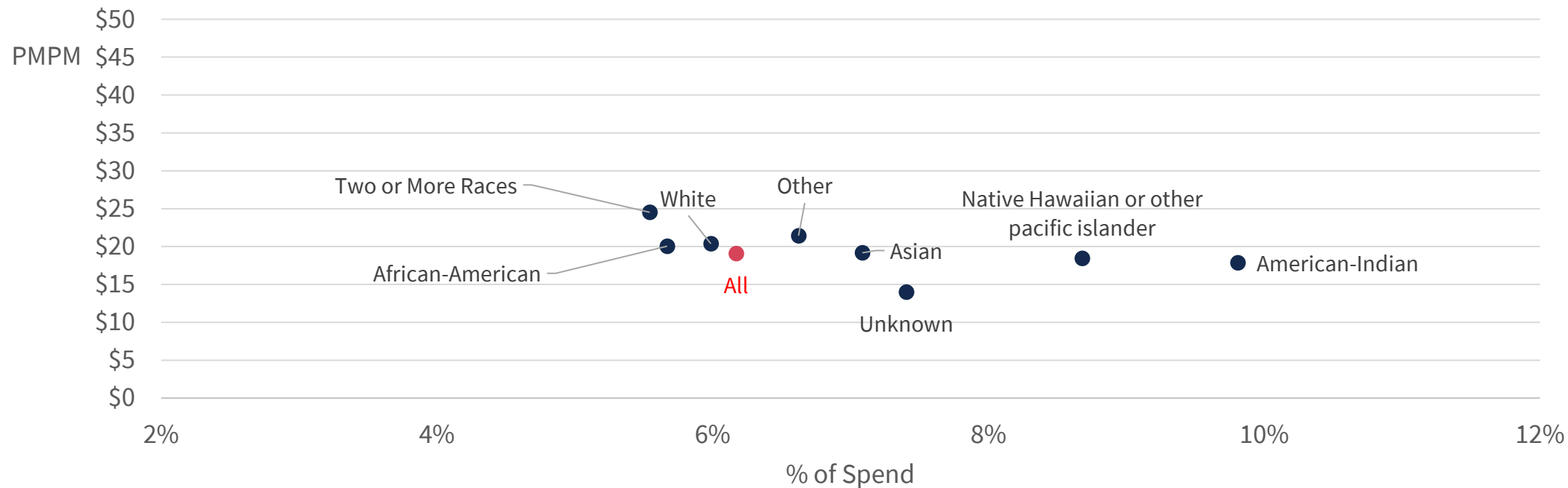


Decile of Share of Medicaid Members by Zip Code



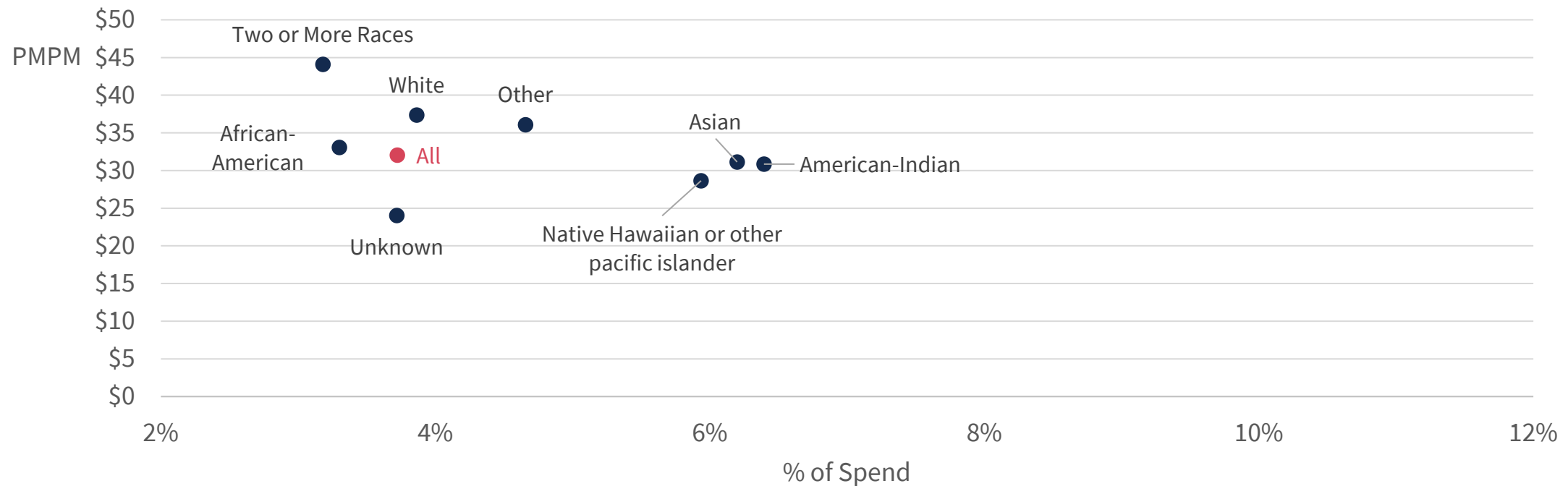


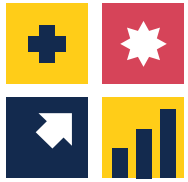
2023 Commercial Primary Care Spend PMPM and Percent of Spend by Race (Primary Care Investment Workgroup Definition)





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





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Definition Review

PCIW vs. AHEAD

Comparison Table – Key Elements



Primary Care Investment		
Category	PCIW (Multistate Definition)	AHEAD
Primary Care Definition	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Uses the same specialties as the definition of primary care developed by the Primary Care Investment Workgroup (“PCIW”) and adds 31 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 16 provider specialty codes, which are broader than taxonomy codes, are used to identify primary care providers. The 16 specialty codes yield 123 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



Payers	<i>Primary Care Spending as a Percent of Total Medical</i>						<i>%-Pt Difference</i>		
	<i>PCIW (Broad)</i>			<i>AHEAD</i>			<i>PCIW less AHEAD</i>		
	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%

Payers	<i>Primary Care PMPM Medical Spending</i>						<i>% Difference</i>		
	<i>PCIW (Broad)</i>			<i>AHEAD</i>			<i>PCIW v. AHEAD</i>		
	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	<i>Primary Care Spending as a Percent of Total Medical</i>						<i>%-Pt Difference</i>		
	<i>PCIW (Broad)</i>			<i>AHEAD</i>			<i>PCIW less AHEAD</i>		
	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	<i>Primary Care PMPM Medical Spending</i>						<i>% Difference</i>		
	<i>PCIW (Broad)</i>			<i>AHEAD</i>			<i>PCIW v. AHEAD</i>		
	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%