



PRIMARY CARE Investment

Analysis and Reporting Plan
Report Overview

DRAFT

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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 Workgroup¹ (Workgroup) to obtain input on the scope and methodology for the analysis; the Workgroup convened in November and has met regularly 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

¹ See Appendix for membership category and organization

Worthy of Mention



- ▶ The law provides a unique opportunity to impact primary care through investment strategies that align across multiple payers
 - Value-based payments have the potential to make the health system, and primary care in particular, more resilient
 - Increase investment in primary care and hybrid payments that provide prospective and stable payments allow providers to develop advanced primary care capabilities that prevent provider burnout and meet the whole-person needs of patients, while assuming greater accountability for quality and costs over time¹
- ▶ Advancing primary care has been an MHCC strategic priority for more than a decade
- ▶ The MHCC operated the MMPP program from 2011 through 2016 and has participated in MDPCP program planning and policy development since its inception (2017); MHCC launched the *Advancing Practice Transformation in Ambulatory Practices Program* (2021) to help practices prepare to transition into value-based care (VBC) models

¹ The CMS Innovation Center's Strategy to Support High-quality Primary Care, June 2023.

Investment Rationale



- ▶ Despite evidence that a strong foundation of primary care yields better outcomes, such care has been underfunded nationally¹
- ▶ On average, U.S. primary care spending accounts for nearly 7 percent of total expenditures compared to almost 14 percent by other industrialized countries²
- ▶ Health care per capita in the U.S. costs more than twice as much as peer countries, and the U.S. experiences worse outcomes on life expectancy, rates of chronic disease, and other critical measures³
- ▶ Primary care experts have demonstrated through research that increased investments in primary care have a beneficial effect on quality of care, access to care, and mortality⁴

¹ The Commonwealth Fund, *Primary Care in High-Income Countries: How the United States Compares*, March 2022.

² JAMA, *Primary Care Spending in the United States, 2002-2016*, May 2020.

³ The Commonwealth Fund, *U.S. Health Care from Global Perspective, 2022: Accelerating Spending, Worsening Outcomes*.

⁴ Health Affairs, *Remembering Barbara Starfield: A Primary Care Champion*, June 2011.

Investment Rationale *(Continued)*



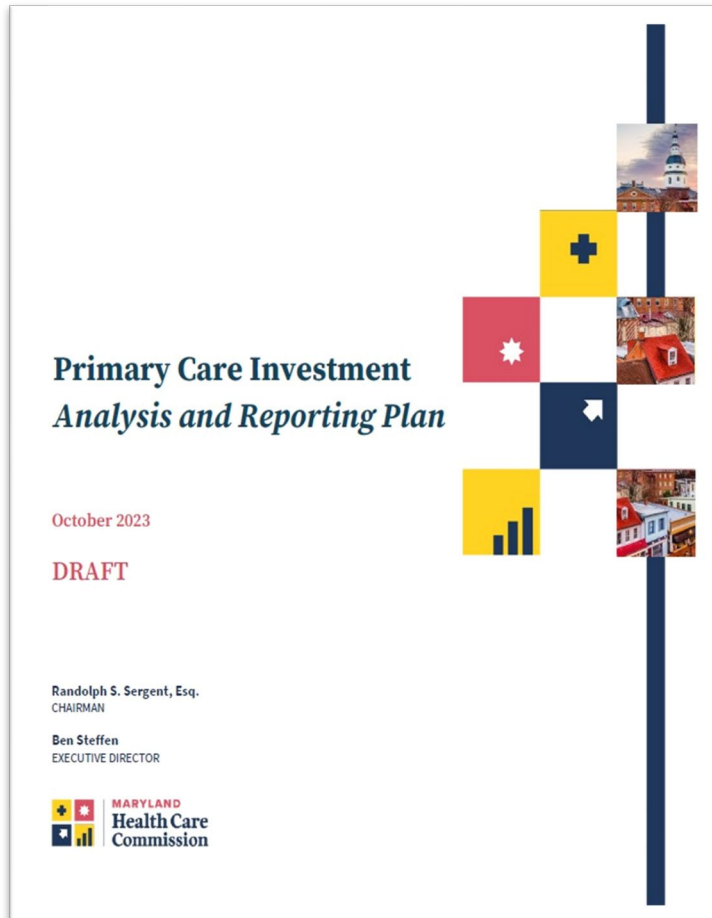
- ▶ Underinvestment in primary care contributes in part to workforce challenges; between 2005 and 2015, the national share of the physician workforce devoted to primary care declined from around 44 percent to 37 percent¹
- ▶ Nearly 42 percent of states are taking steps to increase investments in primary care through enacted and pending legislation²
 - Investment strategies vary between voluntary and required; a few states have strategies to gradually increase investment targets as payers achieve cost savings
- ▶ States with higher primary care investments have reported better outcomes and lower rates of emergency department visits³

¹ Christopher Barbey, Nikhil Sahni, Robert Kocher, and Michael E. Chernew, “Physician Workforce Trends and Their Implications for Spending Growth” Health Affairs, July 2017.

² Primary Care Collaborative, State Primary Care Investment Initiative dashboard, May 2023.

³ Milbank Memorial Fund, *Investing in Primary Care: A State-Level Analysis*, July 2019.

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



- ▶ **PRIMARY CARE INVESTMENT DEFINITION** – Encompasses primary care office visits, preventive care, and a broad set of other services when performed by family medicine, general practice, internal medicine, preventive medicine, pediatrician, geriatrician, nurse practitioner, or physician assistant
 - Includes primary care providers delivering primary care services in a nursing home, Federally Qualified Health Center, urgent care center, retail clinic, or other non-traditional setting
 - Behavioral health services are included when provided by a primary care provider
 - Obstetric and gynecologic services are part of the definition when performed by a primary care provider



- ▶ **COVERED SERVICES BILLED UNDER A PRIMARY CARE PROVIDER'S TAXONOMY** – Includes those 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

- ▶ **INVESTMENT TARGET** – Increase primary care investment beginning in 2024 through 2029
 - Aim to achieve 10 percent overall total primary care spending by 2030
 - Include a relative improvement goal of approximately one percent annually
 - Adjust relative improvement goal periodically to achieve the aim

Domains *(Continued)*



- ▶ **INVESTMENT APPROACH** – A primary care investment target aligned across commercial payers and a different target for Medicaid and the MCOs
 - Review annually and adjust as needed to achieve the statewide relative improvement goal
 - An accountability mechanism for meeting targets and in using investments to enhance primary care
- ▶ **INVESTMENT CALCULATION** – Spending per member per month and as a percent of total medical expense
 - Place of service filters will be applied
 - Pharmacy spending and rebates, dental, and other supplemental expenditures will be excluded from the calculations
 - Non-fee-for-service spending will be excluded in the 2024 analysis and final report; use of this data will be considered in 2025

2024 Key Workgroup Activities



- ▶ Analyze primary care investment over the immediately preceding year, including data stratified by zip code and county, in relation to total health care spending over the previous year
- ▶ Explore opportunities to advance primary care policies that make sustainable and systematic improvements in access to care, equity, quality of care, efficiency, and cost control
- ▶ Finalize investment targets for Medicaid and consider whether to factor in primary mental health care delivered by a managed care organization
- ▶ Contemplate approaches for payers and providers that tie investments to VBC models that require strong advanced primary care standards
- ▶ Explore causes and potential strategies where increased investment can begin to address workforce shortages and the unequal distribution of the primary care providers in Maryland

Staff Recommendation



The Plan fulfills the 2023 MHCC reporting requirement in Senate Bill 734, *Maryland Health Care Commission – Primary Care Report and Workgroup*, staff asks the Commission to approve its release



THE END





Appendix Section



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

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

Primary Care Workgroup Membership



Membership Category	Organization <i>(28 Members)</i>
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