

# **The Case for a Primary Care— Oriented Delivery System**

Massachusetts Health Policy Commission

October 23, 2019

Christopher Koller

# What Is Primary Care?

Barbara Starfield's 4 characteristics of effective primary care

- First Contact
- Comprehensive
- Coordinated
- Continuous

From the Patient-Centered Primary Care Collaborative:

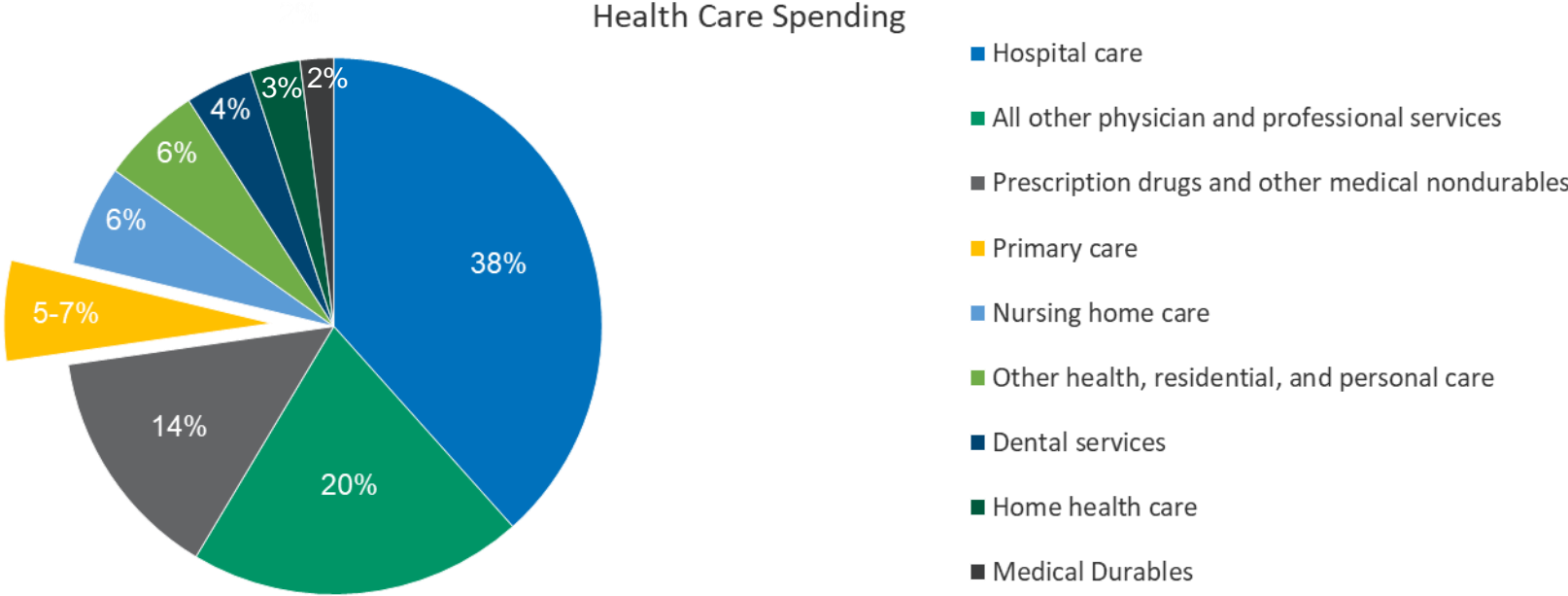


# Why Should an Entity Accountable for Population Health Outcomes Be “Primary Care Oriented”?

- “Primary care helps prevent illness and death, regardless of whether the care is characterized by supply of primary care physicians, a relationship with a source of primary care, or the receipt of important features of primary care. “
- “Primary care (in contrast to specialty care) is associated with a more equitable distribution of health in populations”  
—Starfield, Shi, Macinko (*Milbank Quarterly*, 2005)

# Primary Care Spending Is a Way to Evaluate an Entity's Primary Care Orientation

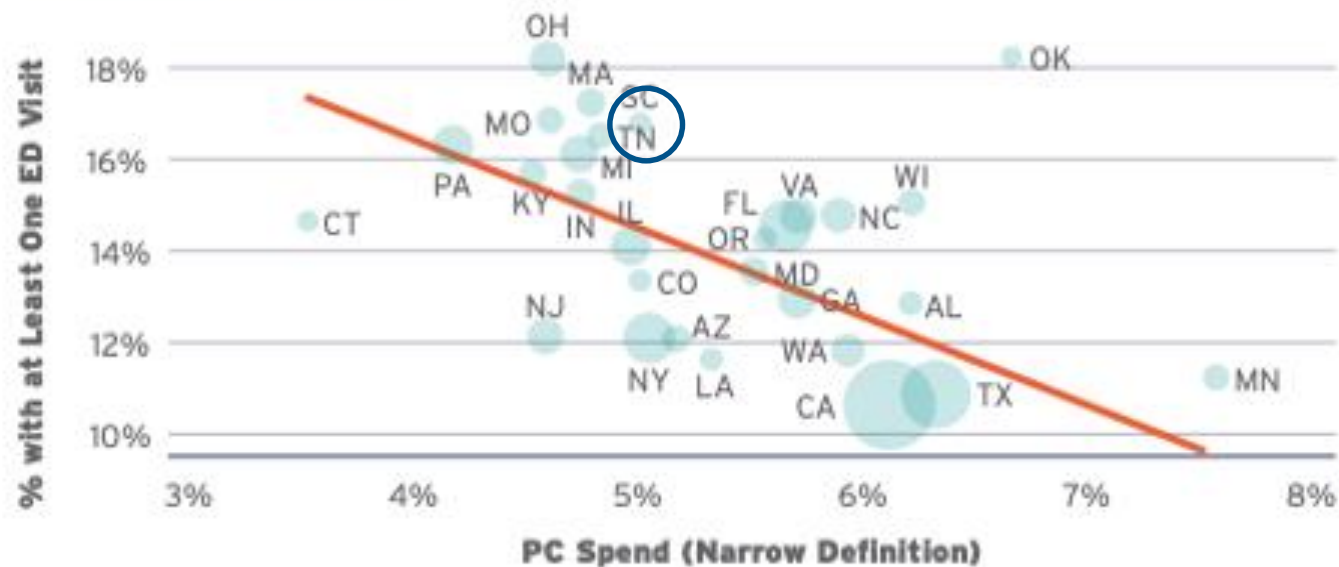
- Easily understood by many people
- Focuses on dollars
- Distinguishes low percentage of primary care spending relative to other health spending and other countries



Source: Patient-Centered Primary Care Collaborative – Investing in Primary Care, 2019

# It is Significant: As Primary Care Spending Increases, ED Visits Decrease...

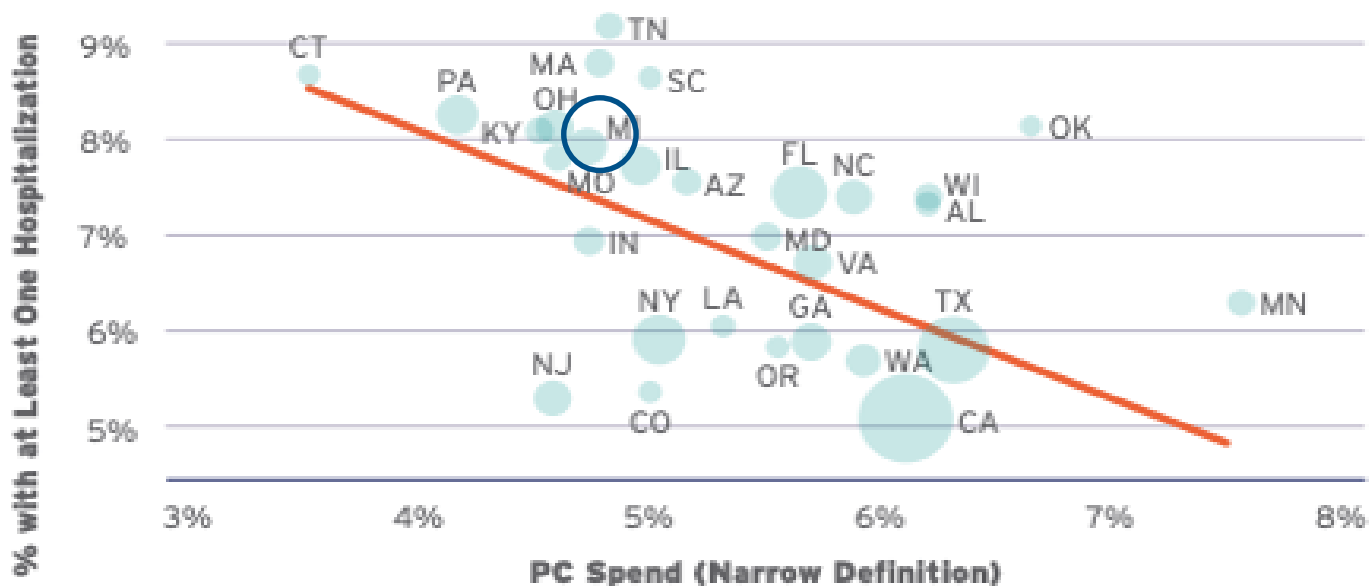
**PC Spend-Narrow vs. Percent with at Least One ED Visit in Last 12 Months**



$R = -0.58$ . Note: Size of circles represents the population size of the state.

# ...and Hospitalizations Decrease

## PC Spend-Narrow Vs. Percent with at Least One Hospitalization in Last 12 months



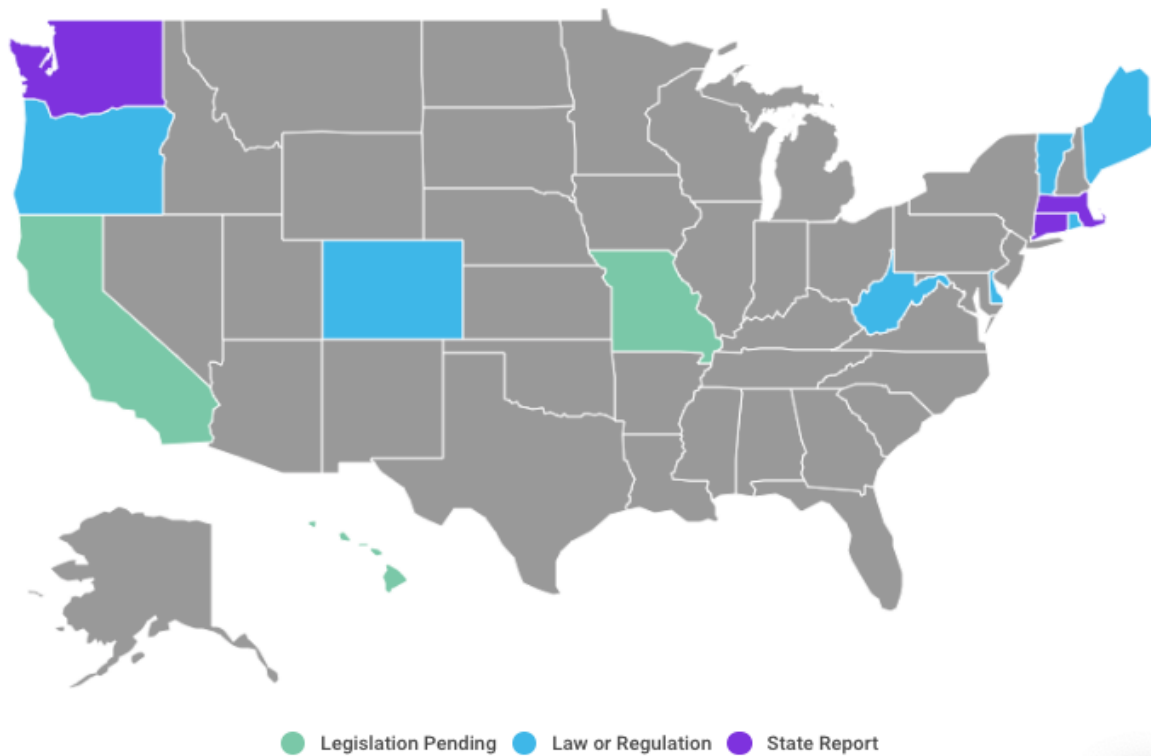
R = -0.58. Note: Size of circles represents the population size of the state.

# Alternate Payment Mechanisms alone will not promote a Primary Care-Oriented Delivery System

- Yes - Primary Care–based Accountable Care Organizations do better than hospital- or specialty-based ACOs.
- But health care does not not follow rules of market.
- Addressing the economics is not enough- must address the politics as well
- Intent behind state-level action on Primary Care Spending
- Consistent with a “market-oversight” state health policy

# States Are Taking Action to Promote More Primary Care Spending

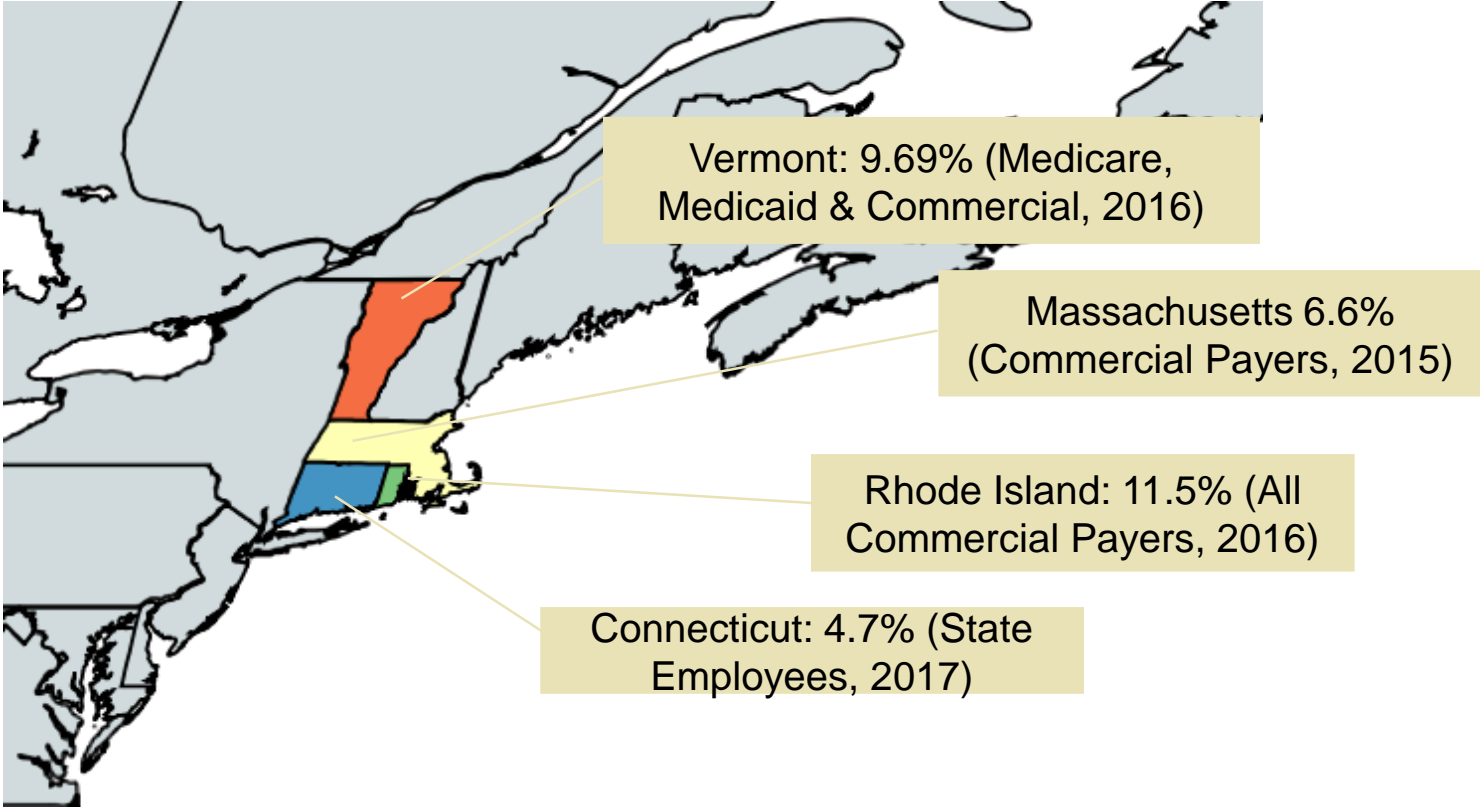
Activity as of July 2019. Click on the state to read the bill or regulation.



- Reporting
- Formal Measurement and Study
- Increase and Maintain (OR and RI)



# Collaborative Activity in New England on Measuring Primary Care Spending Rates



Health Policy Commission staff have played an integral role in the Primary Care Workgroup established by New England States Consortium Systems Organization. The workgroup generated these primary care spend estimates for states that had data available.

Source: NESCSO Primary Care Workgroup Presentation, 18 October 2018

# Biggest Lesson from Other States: Must Not Only Measure but Have Ongoing Public Discussion

- Oregon – Commission, ongoing legislation
- Rhode Island – Health Insurance Advisory Council
- Other states have created primary care collaboratives, which are designed to bring stakeholder input into state policy decisions on primary care investment
- Need to create a public discussion that prioritizes primary care.
- Sometimes tied to multi payer work on primary care transformation

# What's in?

## How to Calculate Primary Care Spending

- The numerator can be defined in a narrow or broad way

Primary Care Specialties	Primary Care Only Service Codes	Primary Care Providers – All Service Codes
Internal Medicine, Family Practice, Pediatrics		
Internal Medicine Family Practice, Pediatrics, and Other Specialties		

States are not waiting for a national definition – some are going quite broad.

# Other Lessons

- The perfect vs the good
  - Is the policy goal a greater emphasis on primary care or more high-quality primary care?
- What is the accountable entity?
  - State, payer type (Medicare, Medicaid, commercial), health plan, accountable delivery system
- What is an adequate level?
  - Depends on population
  - Depends on numerator
  - We won't know until we start to measure.
- Target or Standard?

# More Lessons

- Accounting for non-fee-for-service spending, such as:
  - Salaried providers; Bonus payments; Capitated payments
  - Payments to accountable delivery systems – is there a public interest?
- Where do increases go?
  - How directive to be?
- Relationship to broader delivery system reform (value-based payments, consolidation, etc.)
- Answers to these technical questions have policy implications
  - Need a public table for ongoing conversations

# Manage Expectations: A Primary Care Orientation Is Necessary but Not Sufficient for a High-Performing Health System

Four challenges for the United States, based on international comparisons:

1. Lack of access to health care. (Affordable and comprehensive insurance coverage is fundamental.)
2. Relative underinvestment in primary care
3. Administrative inefficiency
4. Pervasiveness of disparities in the delivery of care