

# **Advancing Primary Care to Support Population Health: A Change for the Better**

Vermont Blueprint Annual Meeting

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# Disclosures

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- No commercial interests
- Opinions are my own & not intended to represent those of any affiliated organizations

Several slides adapted with permission from  
Chris Koller, Milbank Fund

# Objectives

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- Describe evidence for building investment in primary care services
- Outline approaches other states are taking to increase primary care investment
- Describe current & emerging challenges threats that primary care needs to address
- Summarize key approaches to primary care payment change regionally and nationally

# Recognizing A Hero: Barbara Starfield MD

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Barbara Starfield MD  
(1932 – 2011)

- Pediatrician, academic, & researcher
- Promoted concept of comprehensive primary care model
- Published numerous studies documenting value of comprehensive primary care services

# Starfield on Primary Care: 4 C's

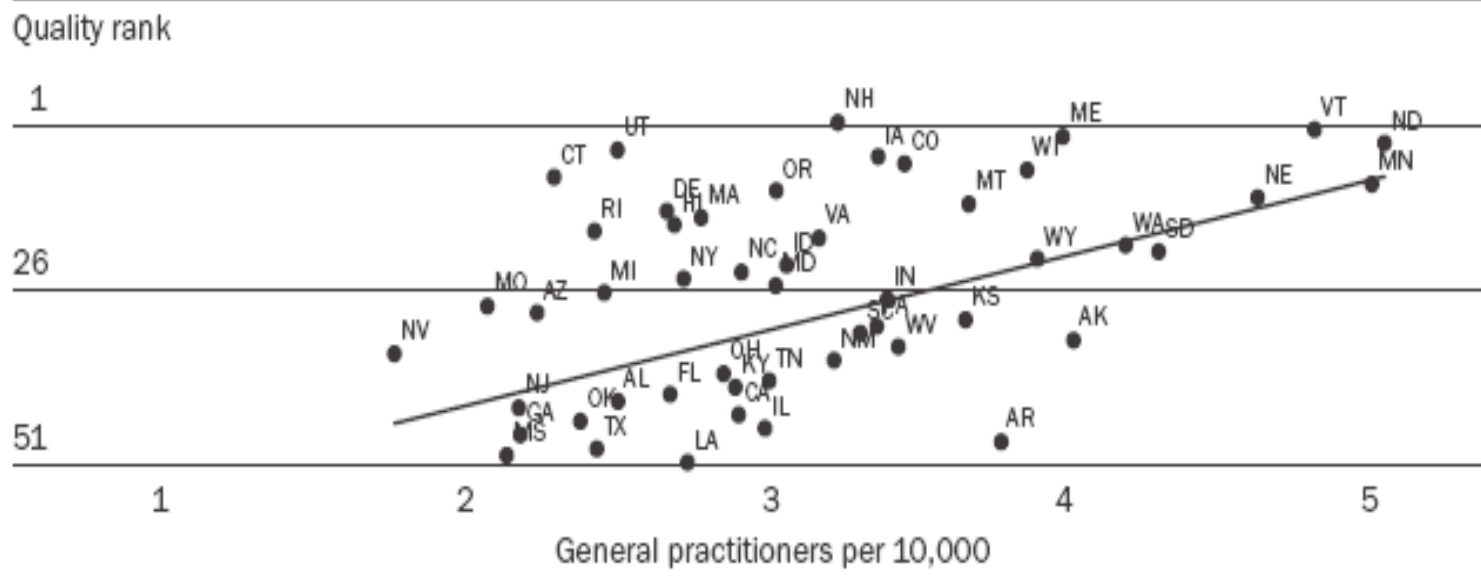
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1. first Contact
2. Coordination
3. Continuity
4. Comprehensive

# The Evidence: Primary Care Associated with Higher Quality...

## EXHIBIT 8

### Relationship Between Provider Workforce And Quality: General Practitioners Per 10,000 And Quality Rank In 2000



**SOURCES:** Medicare claims data; and Area Resource File, 2003.

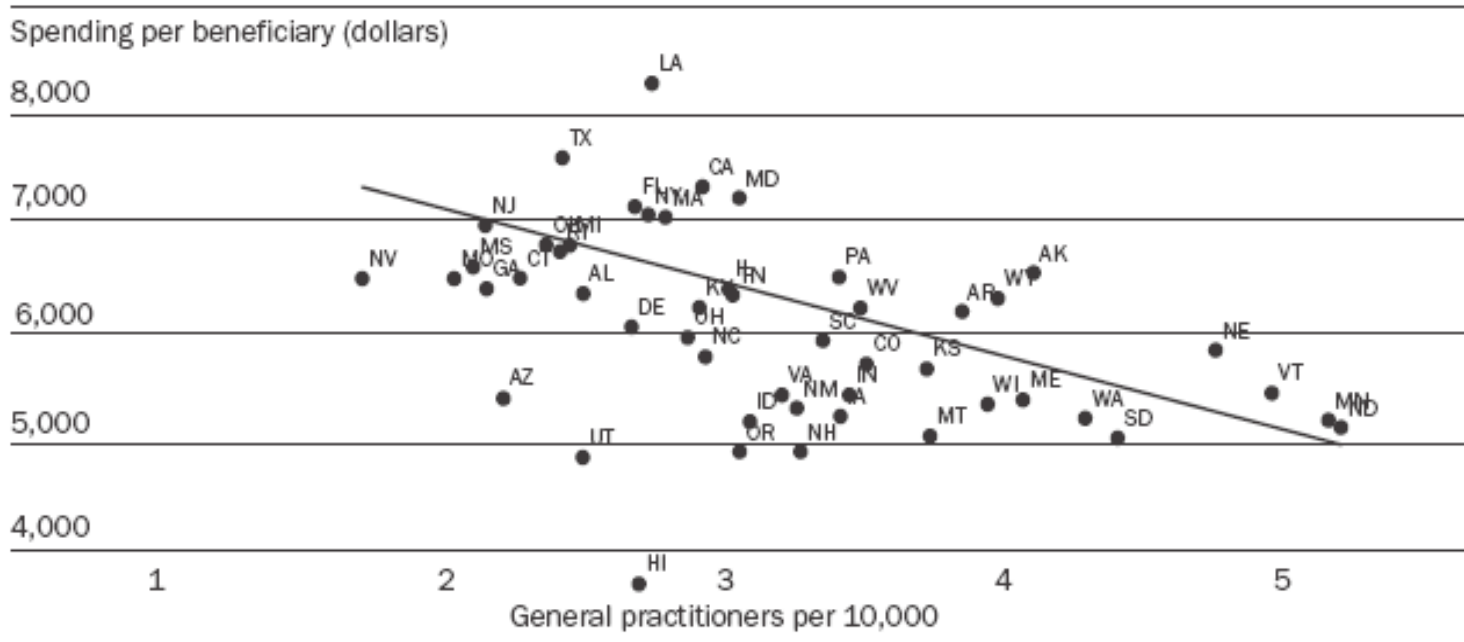
**NOTES:** For quality ranking, smaller values equal higher quality. Total physicians held constant.

Source: Baicker & Chandra, Health Affairs, April 7, 2004

## ... and Lower Costs

## EXHIBIT 9

**Relationship Between Provider Workforce And Medicare Spending: General Practitioners Per 10,000 And Spending Per Beneficiary In 2000**



**SOURCES:** Medicare claims data; and Area Resource File, 2003.

**NOTE:** Total physicians held constant.

Source: Baicker & Chandra, Health Affairs, April 7, 2004





# For a Compelling Conclusion...

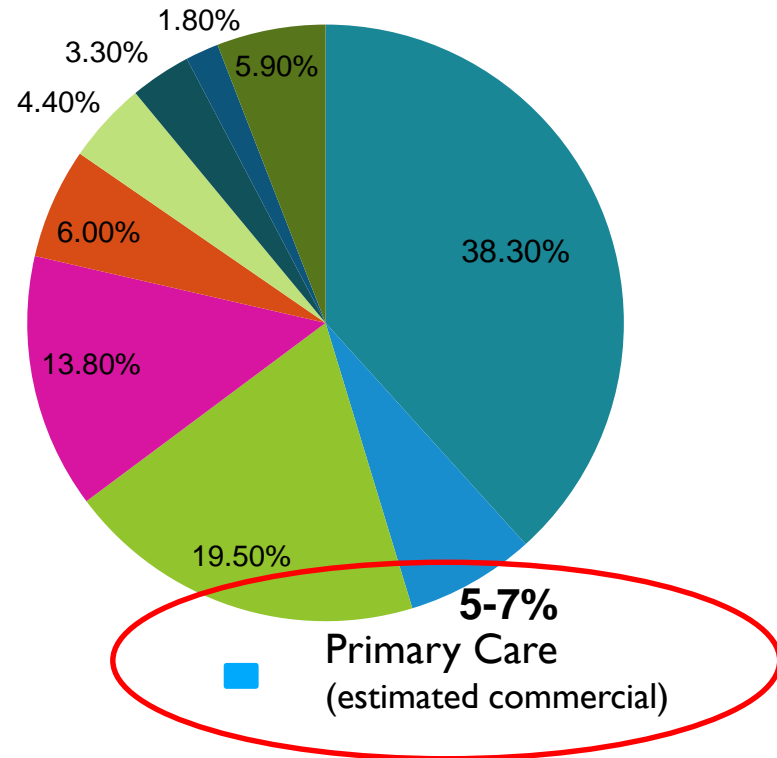
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“This evidence shows that primary care helps prevent illness and death, regardless of whether the care is characterized by supply of primary care physicians, a relationship with a source of primary care, or the receipt of important features of primary care. The evidence also shows that primary care (in contrast to specialty care) is associated with a more equitable distribution of health in populations, a finding that holds in both cross-national and within-national studies”.

—Source: (Starfield [Milbank Q.](#) 2005 Sep; 83(3): 457–502.)

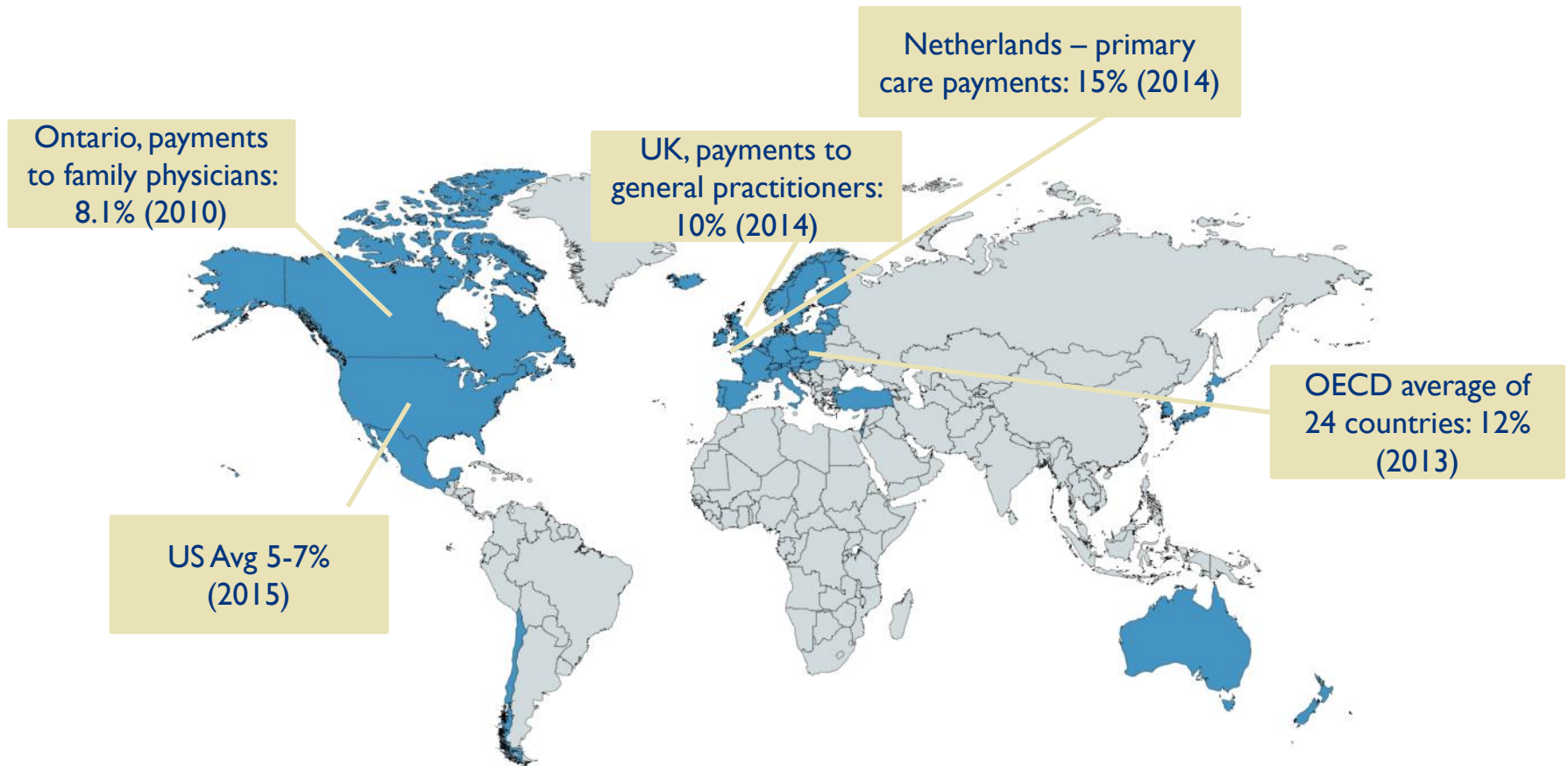
# BUT... a Fundamental Disconnect!

- Hospital Care
- All Other Physician and Professional Services
- Prescription Drugs and Other Medical Nondurables
- Nursing Home Care
- Dental Services
- Home Health Care
- Medical Durables
- Other Health, Residential, and Personal Care



Source: CMS Actuary.All Payments

# U.S. Trails Other Countries in Portion of Health Care Payments Going to Primary Care



Source: Koller & Khullar, NEJM, 2 November 2017

# Primary Care Rx: Change Still Needed!

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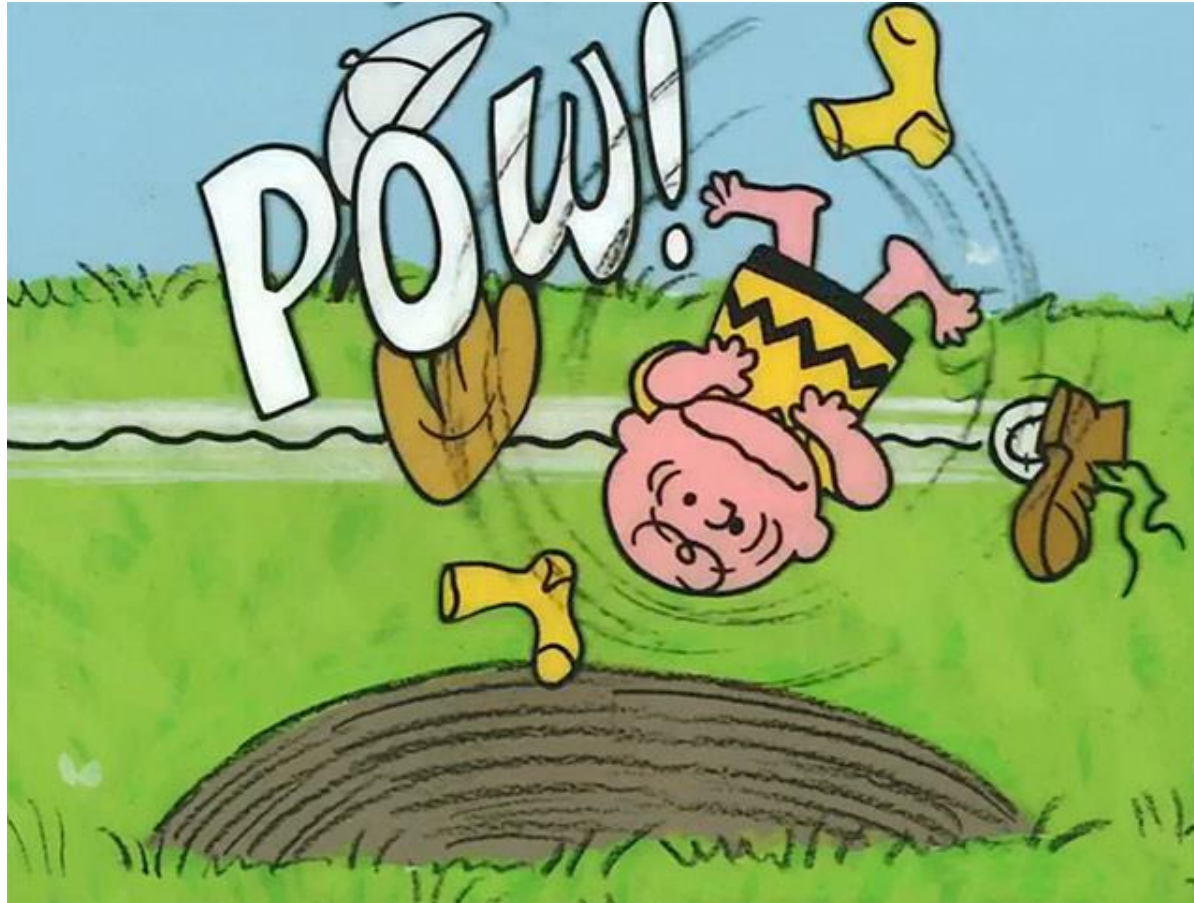
# Typical Primary Care Approach

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# Typical Outcome

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# Why Focus on Increasing Primary Care Investment?

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1. Supported by evidence
2. Number and implications easily understood, supported by patients/public
3. Non-partisan approach
4. Communicates misplaced social priorities and builds consensus on societally-oriented goals
5. Could potentially serve as “gateway” policy to more attention to social services investing

# Enter Another Hero... Chris Koller

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- Served as country's first Health Insurance Commissioner for RI (2005-2013)
- Used insurance regulation to promote payment reform, enhance primary care
- Passionate advocate for advancing primary care-based health reforms
- Currently President Milbank Fund



# RI Affordability Standards for Commercial Insurers

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- 2010: RI Office Health Insurance Commissioner:
  1. Required commercial health plans to invest in primary care, raise primary care spending by 1% pnt/yr for 5 yrs
    - New payments had to be made through non-FFS payments
    - Could not increase overall health care spending
  2. Promoted multi-payer primary care efforts
  3. Invested in health information technology
  4. Implemented Value Based Payment models, with caps on hospital rate increases
- Standards enforced through insurance rate review process

# Significant Long-Term Impact of RI Strategy

- Analyzed trends in health care commercial plan spending in RI compared to other states over 10yr period
- Saw \$21pmpm increase in non-FFS payments to primary care, along with...
- \$76pmpm (8%) decrease in overall health care spending



# Koller on Increasing Primary Care Investment

BLOG: THE VIEW FROM HERE



## Getting More Primary Care-Oriented: Measuring Primary Care Spending

Jul 31, 2017 | Christopher F. Koller, President

We all have our obsessions. Many are best not shared, although sometimes airing them is helpful, especially when they are informed by research.

One of my persistent stubborn aversion to report by the Fund at method of following

Primary care is a great Research demonstration costs, higher patient visits, and lower mortality. Globally, almost all of specialty care spending

to work together to ensure that the people under threat do not bear the burden of mental distress alone. In such an environment, organizations would need to proactively reach out to undocumented immigrants to keep open lines of communication and reassure for mental health have been significant and rival those of any large-scale health or social policies in recent history. Rescinding DACA therefore represents a threat to public mental health, and it is a humanitarian imperative for health care providers and public health

### Primary Care Spending Rate — A Lever for Encouraging Investment in Primary Care

Christopher F. Koller, M.P.P.M., M.A.R., and Dhruv Khullar, M.D., M.P.P.

Why doesn't the United States invest more in primary care? A large body of evidence suggests that greater investment in primary care is good for patients and health systems. Greater use of primary care has been associated with lower costs, higher patient satisfaction, fewer hospitalizations and emergency department visits, and lower mortality.<sup>1</sup> Within the United States, health care mar-

kets with a larger percentage of primary care physicians (PCPs) have lower spending and higher quality of care.<sup>2</sup>

Despite this evidence, the United States continues to undervalue primary care. A recent Commonwealth Fund analysis identified underinvestment in primary care as one of four fundamental reasons that the U.S. health system ranks last among high-income

countries.<sup>3</sup> Compared with peer countries, the United States has fewer primary care clinicians than specialists — along with larger income disparities between the two groups — and provides fewer services in the primary care setting.<sup>4,5</sup> Although the Affordable Care Act introduced a number of payment and regulatory changes that offer incentives to invest in primary care, they have not been

N Engl J Med 377:14. doi:10.1056/NEJMp1710170. NOVEMBER 2, 2017  
The New England Journal of Medicine  
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#### NEWS AND UPDATES



### Building Momentum to Measure Primary Care Spending

February 28, 2018

How much of our health care dollars actually go toward supporting primary care, which is consistently acknowledged to be key to improving population health? Some states are working toward an answer.



"At the Fund, we are working to increase policy focus on primary care spending," said Rachel Block, Fund program officer. "It's a good measure of how oriented a health system is to primary care, prevention, and population health. It's also a good measure of whether we're moving in the right direction in terms of payment reform. We need primary care spending measures to determine if the various alternate payment mechanisms being implemented are, in fact, providing more support for primary care."

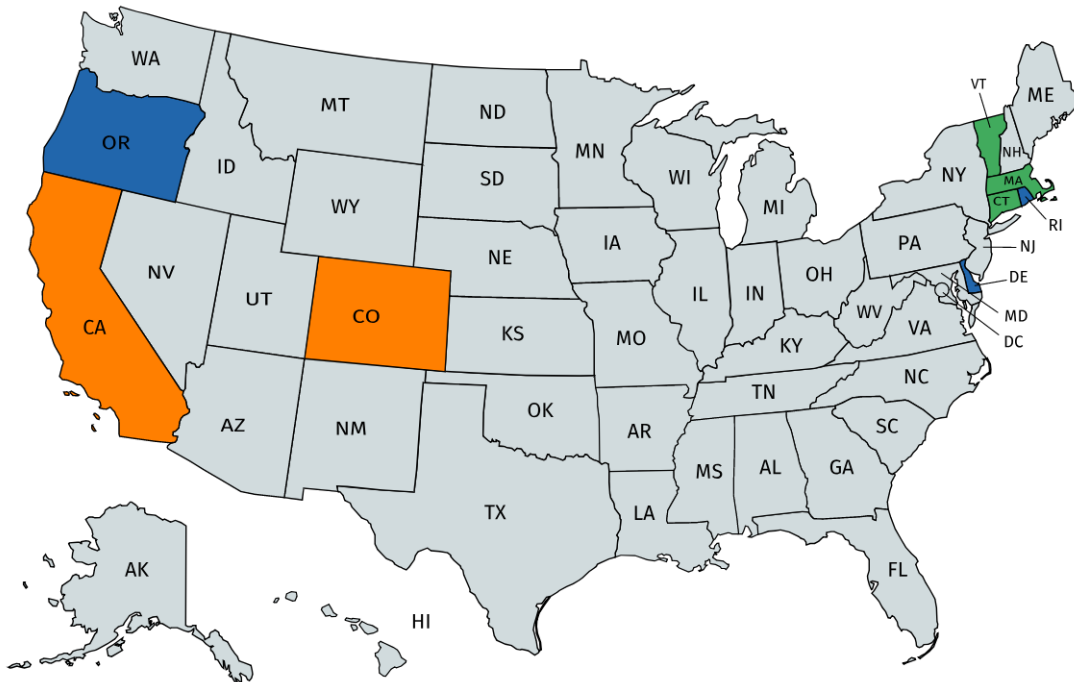
Here are five ways in which efforts to measure primary care spending are taking shape:

- Earlier this month, Oregon released its [third annual report](#) on primary care spending, the result of legislation passed in 2015 requiring payers to report their annual primary care spending. Overall, primary care spending rates in Oregon stayed the same compared to the prior year. But the report notes that more spending was allocated by Medicaid and commercial plans to non-claims-based payments—in other words, supplemental payments made to primary care providers specifically to invest in care management infrastructure.
- The Fund has worked on developing methodologies to measure primary care spending and ways to use these measures as goals for health system performance. In 2017, the Fund published a [report](#) demonstrating that measuring primary care spending by commercial insurers is feasible and studying ways to do it.

## Primary Care Spending Rate as Lever – NEJM 2017

# States are Moving!

## States with Statutory or Regulatory Action



■ Statutory or regulatory action

■ Proposed legislation

■ Statewide measurement of primary care spending

# Oregon: SB231 (2015)

- Established Primary Care Payment Reform Collaborative
- Required state to determine percent primary care spend by payer
- Required recommendations on primary care spend targets & alternative payment models





# Delaware: SB227

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## SB 227: Support of Primary Care



#ourhealthDE

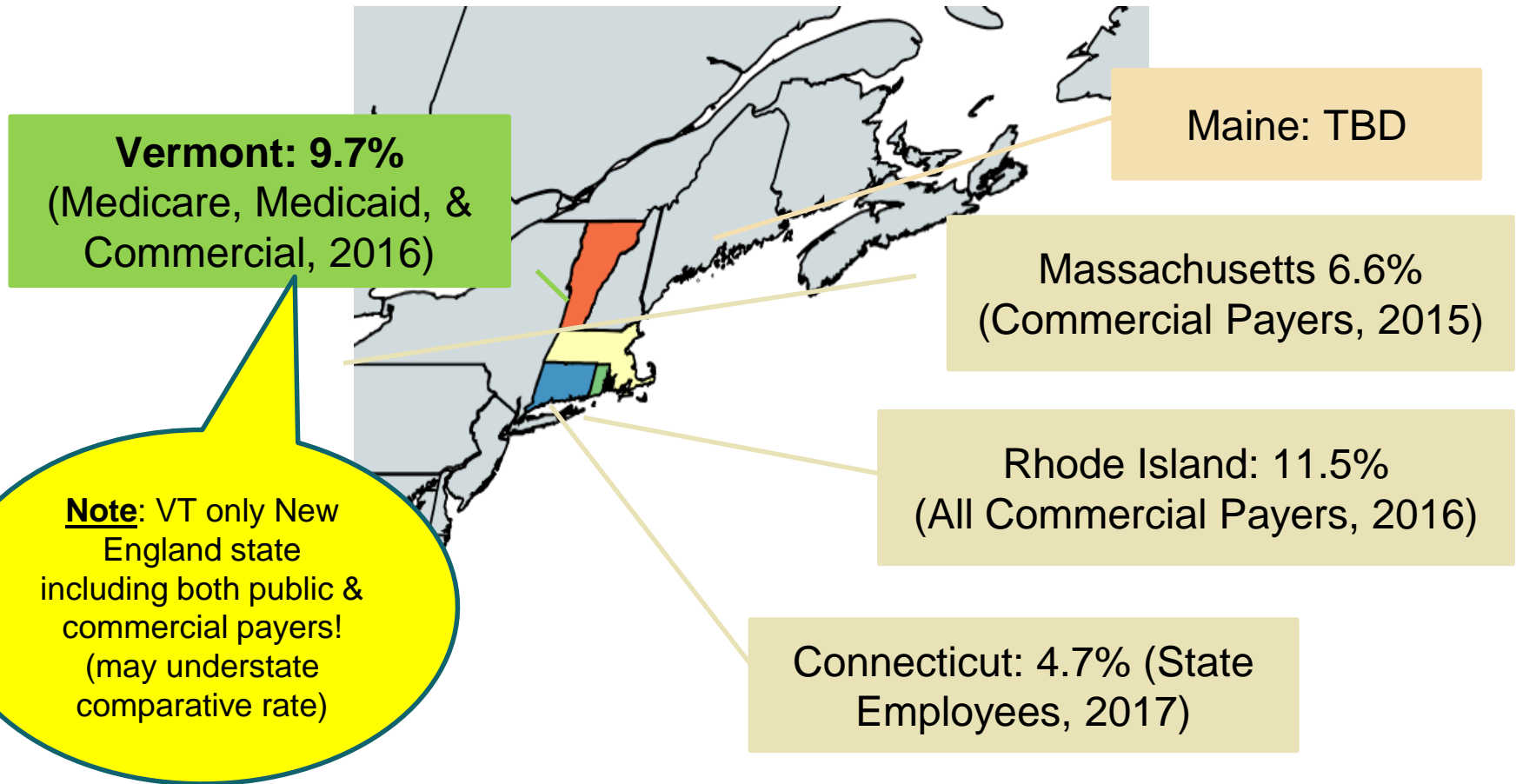
AN ACT TO AMEND TITLE 16, TITLE 18, AND TITLE 29 OF THE DELAWARE CODE RELATING TO PRIMARY CARE SERVICES.



## **“An Act Relating to Determining the Proportion of Health Care Spending Allocated to Primary Care”**

- Requires state to determine percent total health care “currently allocated to primary care in order to target any appropriate increases to that percentage”
- Led by Green Mtn Care Board & Medicaid prgm
- Aims to align measurement with other state efforts
- Requires analysis of potential impacts of increasing primary care spending in future years

# Measuring Primary Care Spend as Baseline Tool





# Vermont's Investment in Primary Care

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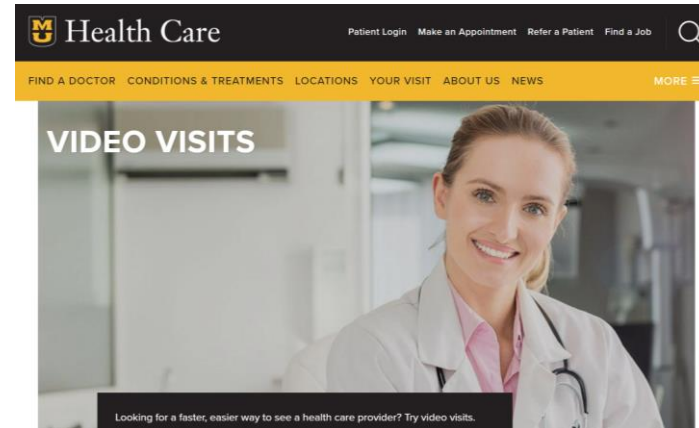
- Strong state commitment, leadership since early days of VT Blueprint for Health (2003!)
- PCMH, primary care supports fundamental to statewide reform efforts
- Long history of primary care support from VT Medicaid (Dept VT Health Access)
  - Blueprint, PCMH, Community Health Teams
  - Matching Medicaid payments to Medicare rates
  - OUD Hub & Spoke model, primary care support
  - Primary care supports through All-Payer ACO model

# Keeping Pace with Market Disrupters

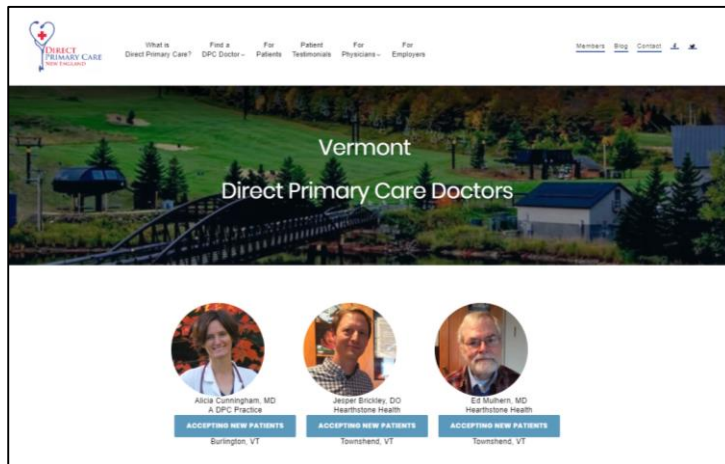
## Retail Urgent Care



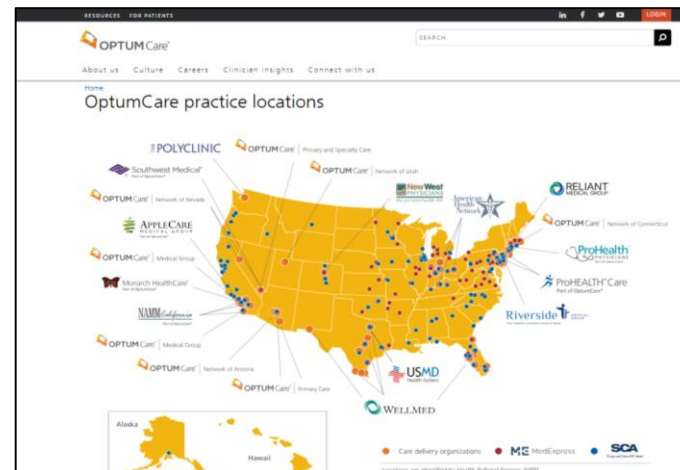
## e-Visits



## Direct Practice (DPC)



## New Alliances



# Primary Care Payment Change - Needed to Support Practice Change!

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Renewed commitment to meet patient expectations:

- Time for caring relationships
- Timely access to care
- Convenient access to care
- Coordination across care settings
- Comprehensive care

New models of care?

- Shared care teams
- e-visits
- e-consults
- Other?

# What Else is Needed?

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- Public support for state oversight & upstream investments
- Employer engagement
- Multi-payer strategies to promote meaningful payment reform
- Oversight of increasingly consolidated provider systems
- State leadership & support
- Primary care voices at the table!

# What Else is Needed?

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- New team-based care models that incorporate innovative (and e-health) components
- Re-establishing primacy of Starfield “4C’s” robust primary care model
- Meaningful payment reform, new payment models for primary care
- Workforce development, incentives for new clinicians to choose primary care

# Changing Primary Care Payment Methods

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- Current FFS +/- modest care management feels insufficient to support new care models
- Percent capitation needed to support practice change est'd at >63%\*
- Primary care capitation or blended models – e.g.
  - Full primary care capitation
  - Blended partial capitation + per-visit payments
  - Substantial care management fees
  - Substantial outcomes-based quality payments

\*Basu, Phillips, Song et al, High Levels Of Capitation Payments Needed To Shift Primary Care Toward Proactive Team And Nonvisit Care, *Health Affairs*, 2017.

# But What About ACOs...?

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- FFS remains predominant primary care payment model within most ACO contracts
- Relying on FFS payments continues to emphasize volume, often doesn't support meaningful practice change
- Hope of getting “shared savings” does not provide needed capital for up-front investments
- Most employed providers seeing little meaningful move from productivity (RVU!) focus
- Must insure that increased investments in primary care “flow through” to primary care clinicians & practices

\*Payment Reform for Primary Care within ACOs, A. Goroll & S. Schoenbaum, *JAMA*, Aug 2012

# Changing Primary Care Payment: National

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## CMS/CMMI: Medicare

- CPC+: current 14 regions
- CMMI newly-released “Primary Cares” opportunities:
  - Primary Care First = primary care capitation
    - Limited to CPC+ and 8 new states (not VT!)
  - Direct Contracting = primary care or ToCC capitation
    - *Professional*: Primary care cap with 50% shared savings/risk on ToCC
    - *Global*: Primary care or total cap, with 100% shared savings/risk on ToCC
    - *Geographic*: Primary care or total cap, with 100% shared savings/risk ToCC for all Medicare beneficiaries in given region – TBD)



# Changing Primary Care Payment: VT

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## **VT Comprehensive Payment Reform (CPR) Pilot**

- Program to transition independent primary care practices away from FFS to payer-blended PMPM
- Provide simpler, more predictable revenue stream that allows for clinical flexibility and innovation
- Invests more in primary care
- Three practices participated in 2018 pilot year:
  - Primary Care Health Partners
  - Thomas Chittenden Health Center
  - Cold Hollow Family Practice
- Initial results promising – 6 addnl sites added in 2019

# Changing Primary Care Payment: Other States

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- **Other state/regional efforts**

- Medicaid Managed Care Organizations – with or without primary care investment, payment change?
- Regional ACOs with primary care investment – e.g.
  - OR: Coordinated Care Organizations (CCOs)
  - CO: Regional Care Coordination Organizations (RCCOs)
- Innovation in SIM states: CT Primary Care Modernization model
- Health-plan specific efforts – e.g. NY Capitol District Physicians Health Plan
- CA / Integrated Healthcare Associates (IHA) – commercial capitated payment models

# VT Rx Primary Care: What's Still Needed?

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- More significant investment in primary care as portion of overall health care spending
- More capitated & less FFS payments (unchain care from visits & volume!)
  - Aim for >63% capitated payments?
- Efforts to leverage CMS waiver for VT All-Payer Model Agreement to develop new payment models (non-volume based) - particularly for Medicare & Medicaid

# What If...

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## BHAG: “VT Best State to Give & Get Primary Care”

- What would it take?
- Build on supportive state policy:
  - VT Blueprint
  - Medicaid expansion
  - VT All-Payer ACO model
  - Increased primary care investment
  - VT CPR, new models for primary care payment
- Time for a change?

# For more information...

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- Lisa Letourneau MD, MPH  
C: 207.415.4043  
[Letourneau.lisa@gmail.com](mailto:Letourneau.lisa@gmail.com)
- Primary care investment resources:
  - PCPCC: [www.pcpcc.org/primary-care-investment](http://www.pcpcc.org/primary-care-investment)
  - AAFP: [AAFP Backgrounder on Primary Care Spend.pdf](#)
  - Milbank Fund: [www.milbank.org/programs/primary-care-spend/](http://www.milbank.org/programs/primary-care-spend/)