

State Efforts to Increase Primary Care Investment

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Why Focus on Primary Care?

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

- High functioning health care systems require high quality primary care as a foundation.
- Primary care investment in the United States – which typically ranges from 4% to 7% – lags other high-income nations with higher performing health care systems. In these countries, primary care investment tends to be 12% to 15% of total spending.



National Academies of Sciences, Engineering, and Medicine (NAEM). Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care. 2021.
Jabbarpour Y., Petterson S., Jetty A., Byun H. The Health of US Primary Care: A Baseline Scorecard Tracking Support for High-Quality Primary Care, 2023.

Higher Investment in Primary Care Associated with Better Outcomes

A 2019 study by the Patient-Centered Primary Care Collaborative and the Robert Graham Center found states with higher primary care investment had lower rates of hospitalizations and emergency department visits.



The California Study

A recent study commissioned by the California Health Care Foundation found increased primary care investment results in better outcomes.

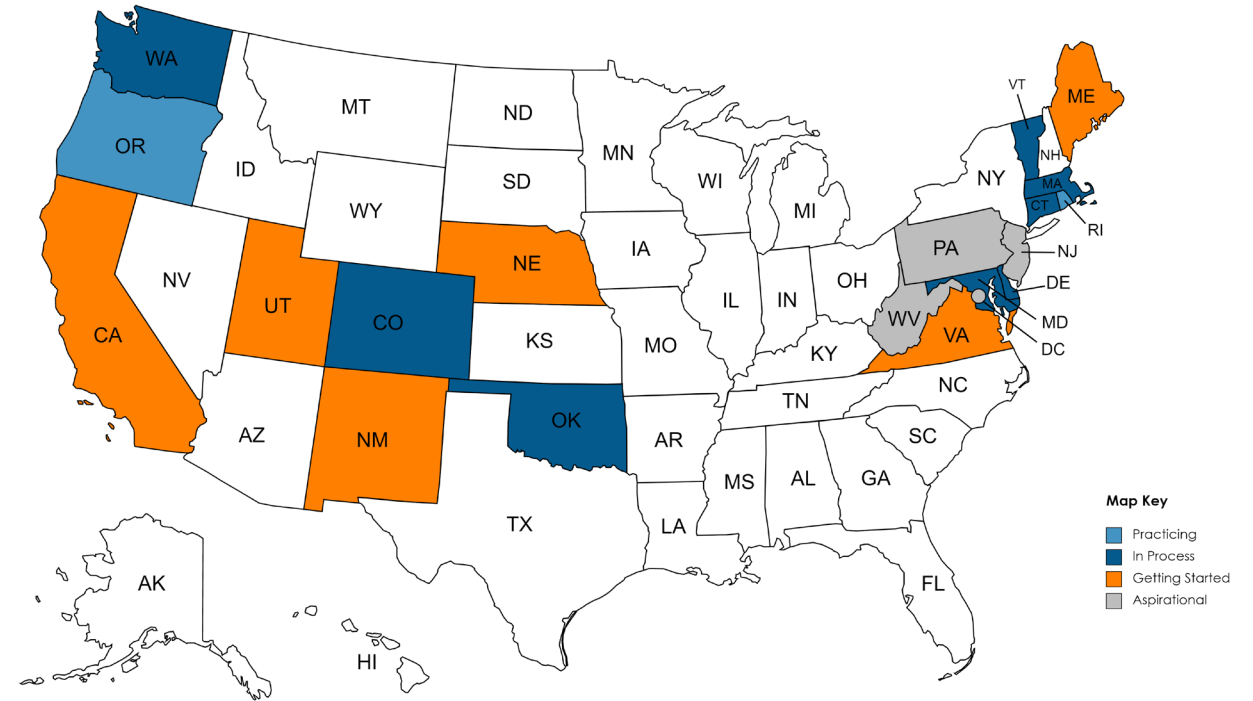
A study of 80% of commercially-insured Californians found higher spending on primary care was associated with....

- Better performance on quality and patient experience measures
- Lower hospital and emergency department use
- Lower total cost of care

Approximately \$2.4 billion could be saved in a single year if provider groups with lower levels of investment in primary care increased to those with higher levels of investment with similar outcomes.

State Efforts to Measure Primary Care Investment

- Over a dozen states have launched efforts to allocate a greater proportion of the health care dollar to primary care.
- Most begin with measurement and reporting, but definitions vary.
- Five states — RI, OK, OR, CO, DE — require a defined level of primary care spend for at least one payer type.
- A growing number of efforts include certain behavioral health services and non-claims spend in their primary care definitions.



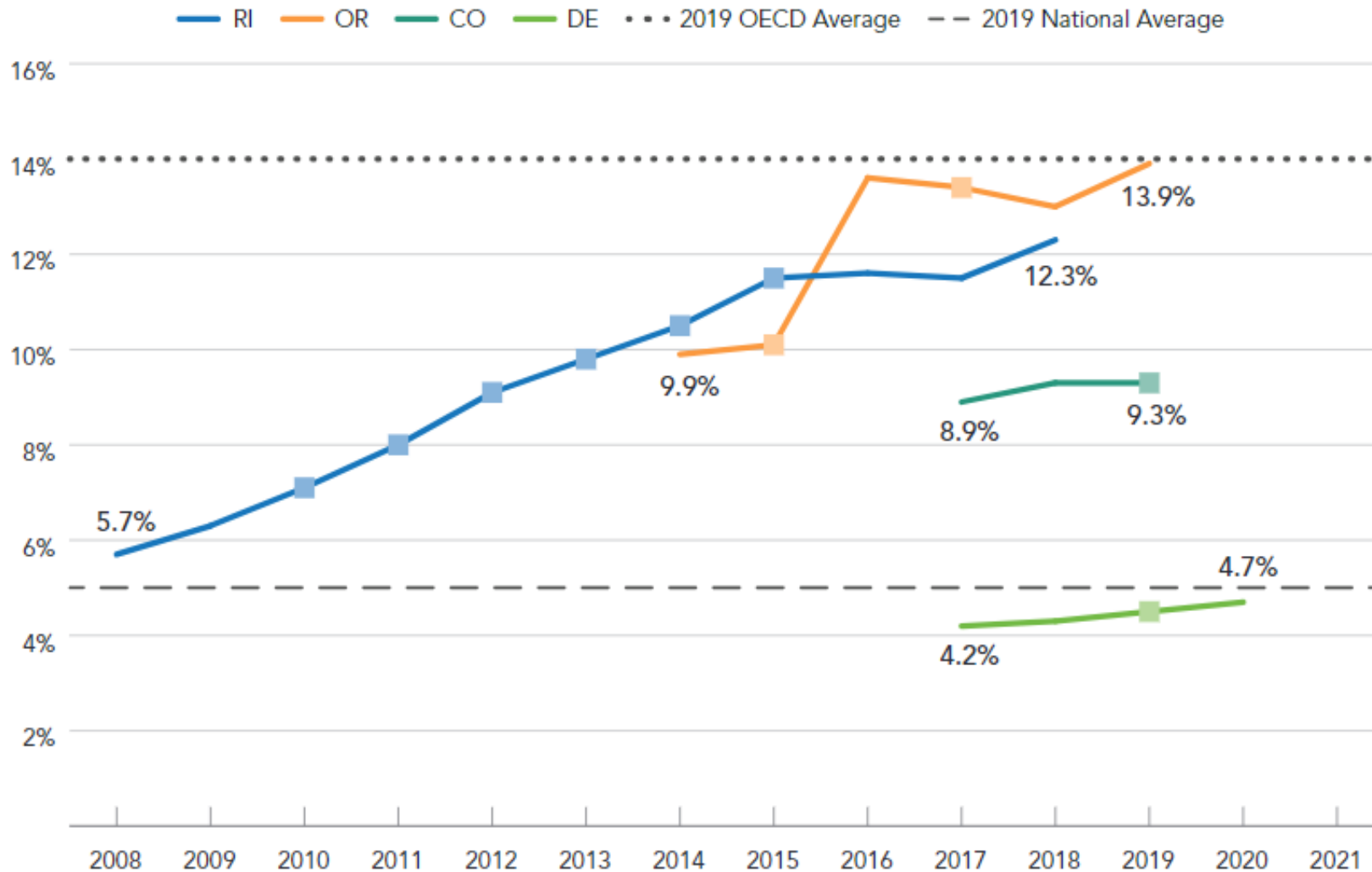
California Health Care Foundation. Investing in Primary Care: Lessons from State-Based Efforts. April 2022.

Increased Primary Care Investment is Typically Part of a Larger Strategy



Most contracting efforts emerge from multi-stakeholder initiatives. They view primary care investment as part of a broader strategy to improve value.

States See Improvement



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.

Common Phases of Work for States

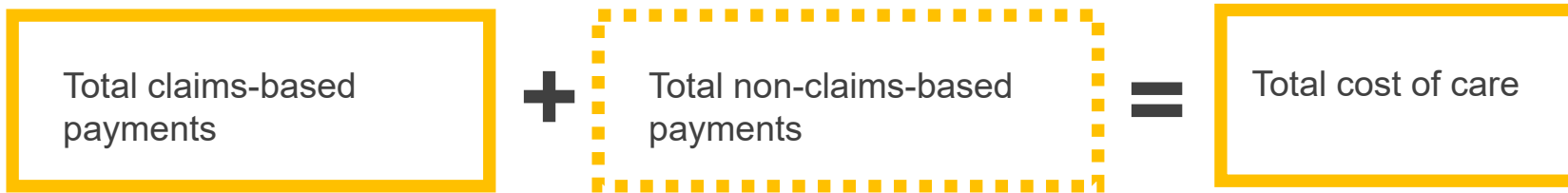


The Mechanics of Measuring Primary Care Spend

Numerator



Denominator

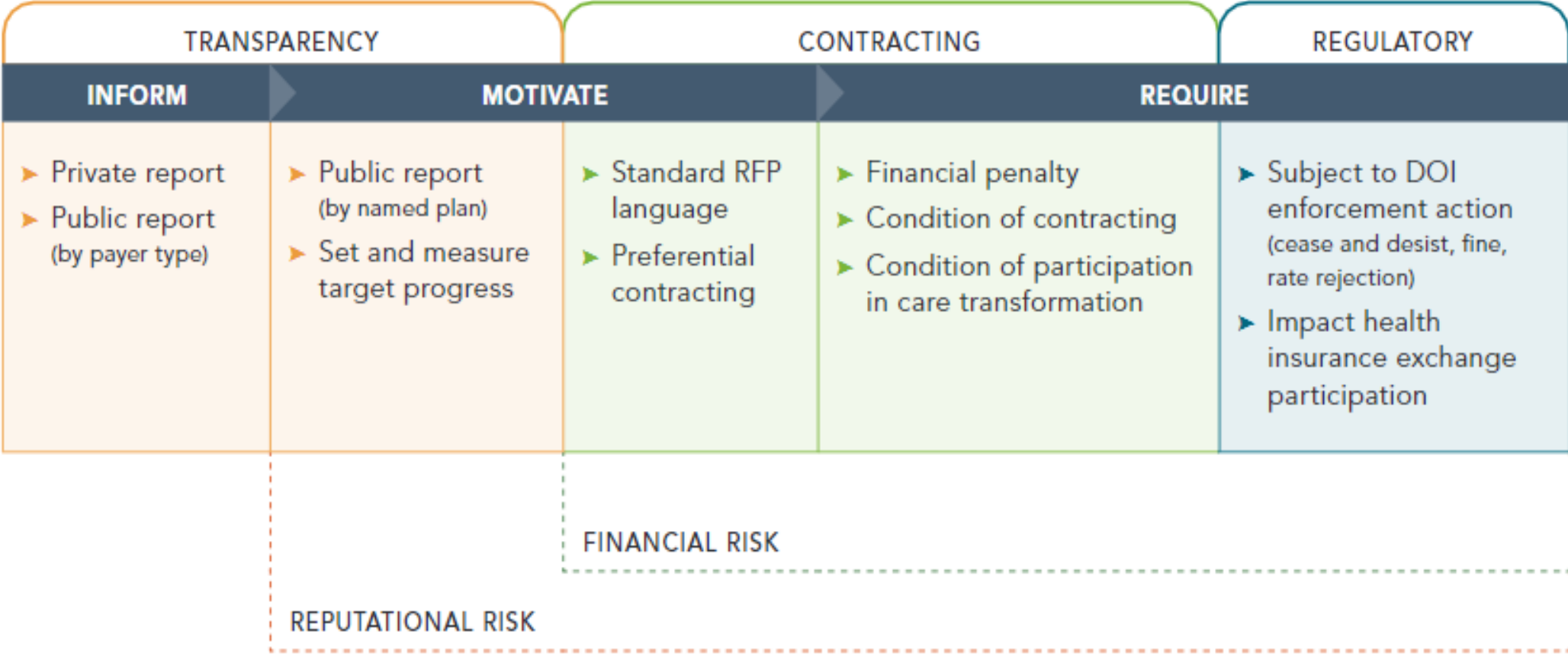


X 100% =

Primary care spend as a % of total cost of care

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

Accountability Mechanisms to Increase Investment



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.

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