

Measuring Primary Care Investment *Overcoming Policy & Operational Challenges*

June 27, 2018



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Patient-Centered
Primary Care
COLLABORATIVE

Welcome & Announcements

- Welcome – [Ann Greiner](#), PCPCC President & CEO
- Upcoming PCPCC Webinars – www.pcpcc.org calendar of events to register
 - ✓ **July 12:** [Putting the Medical Home into Practice for Children \(speakers from American Academy of Pediatrics, Verden Group, and PCC Pediatric EHR Solutions\)](#)
 - ✓ **July 17:** [Integrating Physical and Behavioral Health: The View from Primary Care Providers and Payers \(speakers from Harvard Medical School and UPMC\)](#)
- PCPCC Annual Conference – Key Policies to Elevate Primary Care
 - **Washington, DC, November 8, 2018**
 - **Registration:** www.pcpccevents.com
- Members Only Workshop:** Investing in Primary Care – Advancing a National Strategy
 - Immediately following the PCPCC annual conference, Executive Members are invited to an **exclusive workshop** on November 9, 2018
 - **Registration:** www.pcpccevents.com
- Interested in PCPCC Executive Membership?
 - Email Allison Gross (agross@pcpcc.org) or visit: www.pcpcc.org/executive-membership

Panelists



Ann Greiner

CEO & President
PCPCC



Rachel Block

Program Officer
Milbank Memorial Fund



Jeffrey Markuns

Deputy Director
**Primary Health Care Performance
Initiative**



Robert Philips

VP of Research and Policy
American Board of Family Medicine



Introduction to the Primary Health Care Performance Initiative

May 2018

Led
by:

BILL & MELINDA
GATES foundation



In partnership with:



PHCPI: Our focus

We believe that strong PHC systems are the key to achieving UHC.



- ✓ foundation for strong health systems
- ✓ health systems become more **resilient**, **efficient** and **equitable**
- ✓ meets vast majority of health needs



Measurement for Decision-making

Identify gaps and set priorities based on PHC-specific data.



Performance Improvement

Access global evidence about successful strategies for improving PHC systems and services.



Cross-country Learning

Share data, knowledge, and experience with implementation among countries.

PHCPI for Universal Health Coverage

PHCPI supports Primary Health Care as the Foundation of UHC

Quality PHC is the basis for strong health systems that are:

- ✓ Resilient to crises
- ✓ More efficient than specialized care
- ✓ Comprehensive: covers 90% of health needs
- ✓ Equitable: better access for the vulnerable

uhc2030

- UHC2030 is the global movement to build stronger health systems for universal health coverage
- Strong health systems require quality PHC
- UHC must include a minimum PHC package

PHCPI: Primary Health Care Performance Initiative



Global Conference on Primary Health Care

In 1978, countries came together to declare a commitment to promoting primary health care.



This October 25-26 in Kazakhstan, member countries will reaffirm their commitment to improving PHC on the occasion of the 40th anniversary of the Declaration of Alma Ata.

What does it mean to have a high performing PHC system?



Financing

Capacity

Performance

Equity

- ✓ PHC is **prioritized** in the budget
- ✓ Low out-of-pocket expenditures

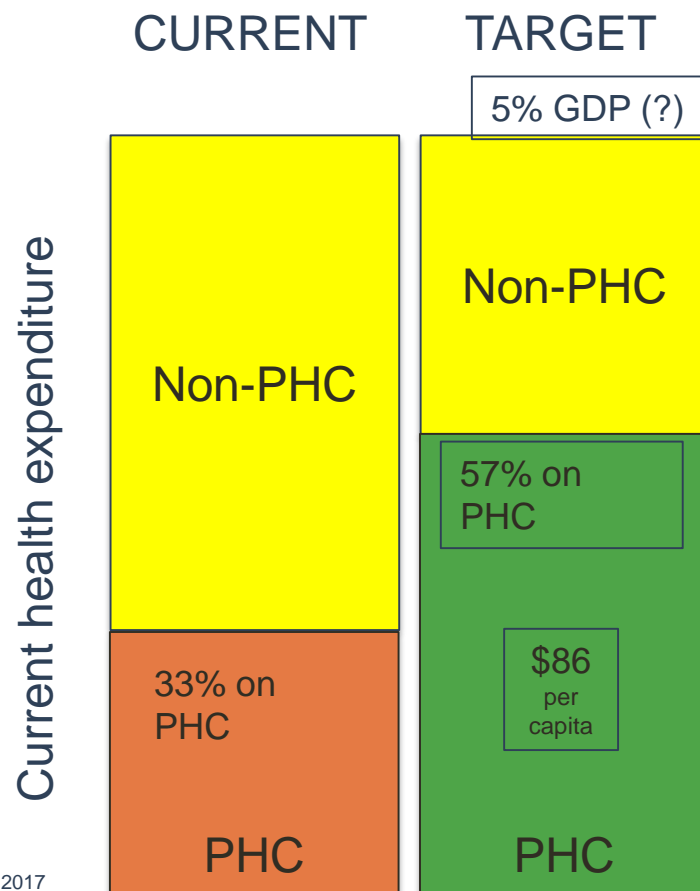
- ✓ Adequate **staff, facilities, supplies, drugs**
- ✓ The system is **well-governed** with good **facility management** and effective, proactive management of **population health**

- ✓ **Access:** minimal financial barriers, travel distance
- ✓ **Quality:** accurate and appropriate diagnosis, treatment, coordinated follow-up
- ✓ **Effective coverage** of essential PHC services

- ✓ Better population **outcomes**
- ✓ Good quality, access, and outcomes for the **most vulnerable**

State of PHC Financing

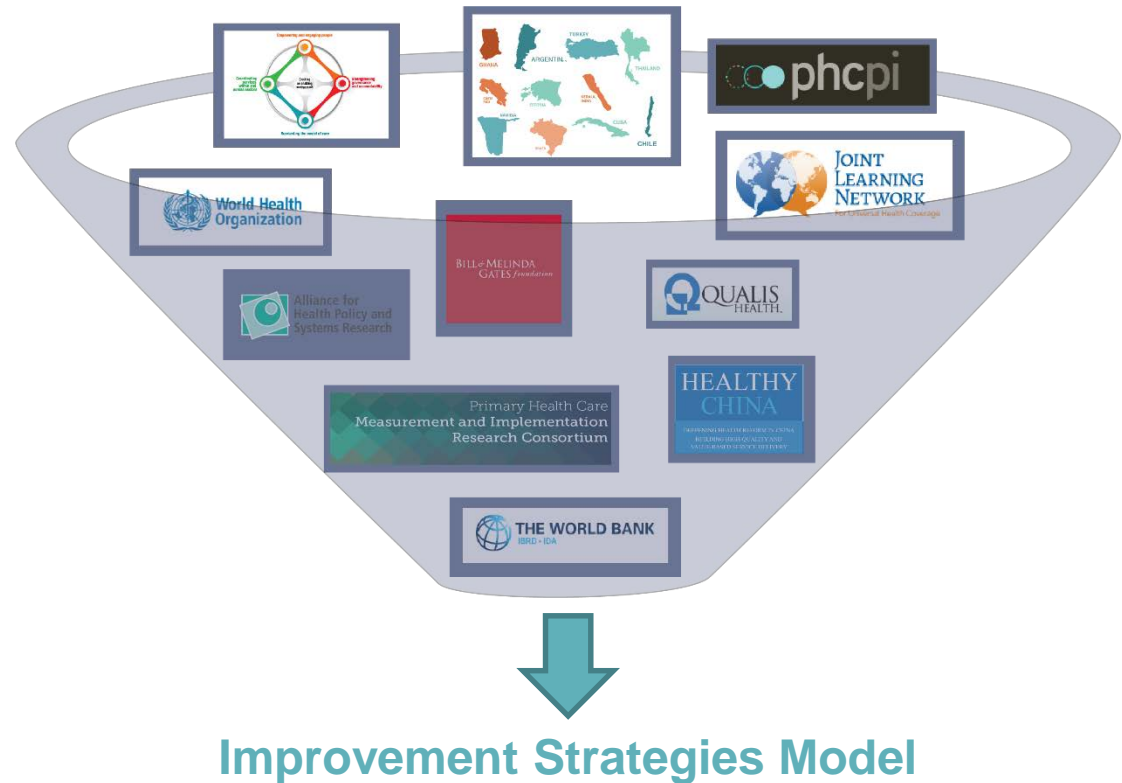
- Scant data available and lack of consensus on targets
- PHC is underfunded
 - Allocations low, expenditures lower
 - Too much spent on vertical programs and hospital care
 - Median government and donor contributions to PHC each 17%
 - 59% of PHC expenses covered out-of-pocket
 - Recommend 15-20% maximum on ALL out-of-pocket expenditures on health
- Performance varies even with similar spending



From *Primary Health Care First*, Save the Children, 2017

PHC Improvement Strategies

- Knowledge inputs include:
 - PHCPI Research Consortium evidence review (over 5,000+ articles reviewed)
 - PHCPI Promising Practices (12)
 - Comparative Health Systems Study (19 case studies from Middle/High-Income Countries)
 - WHO IPCHS Knowledge Base
 - PRIMASYS (20 PHC case studies from LMICs)
 - Best practices from PHCPI partners, including World Bank, WHO, and Gates Foundation
 - Best practices from other thought leaders in the field, e.g., Qualis Health
 - Joint Learning Network knowledge products
 - Learnings from PHCPI Country Engagement



Summary

- Health and wellness for all begins with PHC
- Universal Health Coverage is achieved through PHC
- We need to know and understand more about how PHC is being financed around the world
- We do not yet know how much financing is enough
- We believe most, if not nearly all, countries do not spend enough





Primary Care Spending Measures: Next Steps

Rachel Block

Program Officer, Milbank Memorial Fund

Mission

- Mission: Improve the health of populations by connecting leaders and decision makers with the best available evidence and experience (*mainly focus on states but interested in alignment and engagement with federal government and private sector as well*)

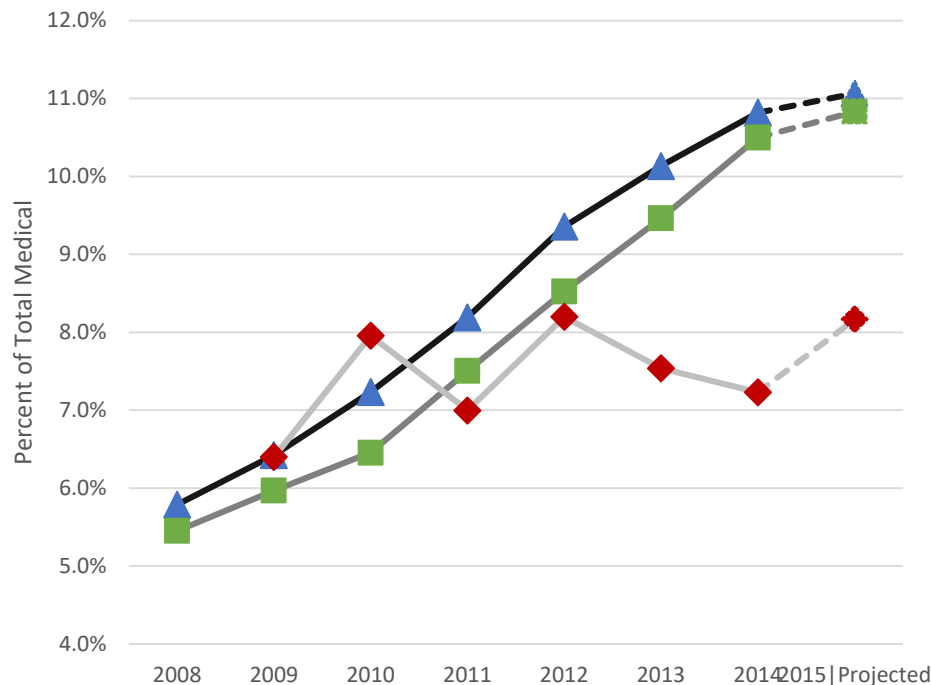


Growing evidence that primary care orientation makes a difference (lower cost, better quality) but how do we know if we don't have measures?



Making Primary Care a Policy Priority: RI Results

Primary Care Spending as Percent of Total Medical Spending
by Insurer
2008 - 2014 | 2015 Projected



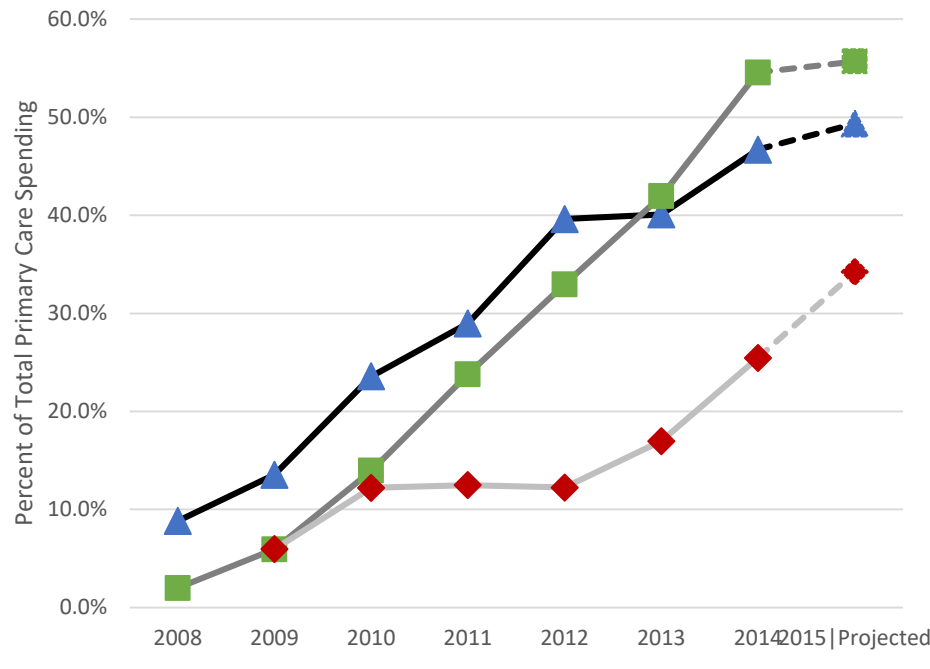
Primary care spending by commercial insurers increased from \$47 million/year to \$71/year over this period.

Source: Office of the Health Insurance Commissioner,
State of Rhode Island



Where Did Increased Primary Care Dollars Go?

Percent of Primary Care Spending Dedicated to Non-FFS Investments
by Insurer
2008 - 2014 | 2015 Projected



Methods chosen varied by plan: PCMH infrastructure, HIT and Pay for Performance. .

Source: Office of the Health Insurance Commissioner, State of Rhode Island



A lot of other things were going on, creating a reinforcing effect

Primary Care-based ACO

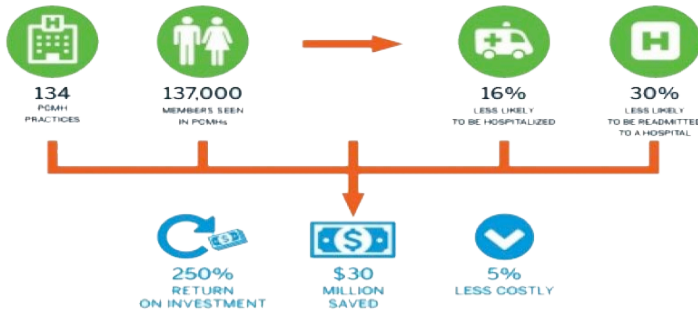


Health Information Exchange



Successful PCMH at Blue Cross

YIELDING SIGNIFICANT CARE AND COST BENEFITS
5-YEAR STUDY



Multi-payer Primary Care Transformation



Activities

- Build evidence through research support
- Disseminate and use evidence through reports, convening state and other leaders
- Examples relating to primary care:
 - Multi-state collaborative – CPC+ project sites + CMS and their contractors
 - Primary care and behavioral health integration
 - PCPCC “evidence” report
 - Primary care spending measures



Milbank study on primary care spending measurement



- Published July 2017
- Work conducted under contract with Bailit Health Purchasing and subcontract with RAND
- <https://www.milbank.org/publications/standardizing-measurement-commercial-health-plan-primary-care-spending/>



Study Purpose

- Undertake a proof-of-concept study to determine what percentage of total medical spending high-performing commercial health plans spend on primary care



Defining primary care

- Measures broken down by
 - specialty
 - service codes
 - age groups
 - product lines
- Results in a nutshell:
 - Amounts of primary care spending: less difference by specialty, more difference by service codes
 - More spending for children, less for older adults
 - Not much difference between HMO PPO



Primary care spending (\$)

Per-member per-month primary care spending, **PC** services

Year	Payment type	Product type	PCP-A	PCP-D
			<i>Mean (min-max)</i>	
2014	FFS	HMO	\$16 (7-23)	\$17 (8-24)
2014	FFS	PPO	\$14 (10-19)	15 (11-20)

This is primary care definition 2:
Provider and service-based

Per-member per-month primary care spending, **ALL** services

Year	Payment type	Product type	PCP-A	PCP-D
2014	FFS	HMO	\$22 (12-29)	\$26 (14-38)
2014	FFS	PPO	\$20 (15-24)	\$23 (17-37)
2014	FFS & other	HMO	NA*	\$32 (14-43)
2014	FFS & other	PPO	NA	\$27 (18-41)

This is primary care definition 1:
Provider -based

*for most plans, non-FFS payments cannot be subdivided by PCP type



Primary care spending, % of total

Per-member per-month primary care spending, **PC** services

Year	Payment type	Product type	PCP-A	PCP-D
			<i>Mean (min-max)</i>	
2014	FFS	HMO	4.4% (1.8-6.2)	5.1 (3.2-7.0)
2014	FFS	PPO	4.1 (3.0-4.8)	4.6 (4.1-5.7)

This is primary care definition 2:
Provider and service-based



Per-member per-month primary care spending, **ALL** services

Year	Payment type	Product type	PCP-A	PCP-D
2014	FFS	HMO	6.2% (3.1-9.2)	7.4 (3.4-12.5)
2014	FFS	PPO	5.6 (4.5-6.3)	6.7 (4.9-11.1)
2014	FFS & other	HMO	NA*	8.4 (3.4-14.2)
2014	FFS & other	PPO	NA	7.4 (5.4-12.4)

This is primary care definition 1:
Provider -based



*for most plans, non-FFS payments cannot be subdivided by PCP type



Broad Messages

- It is important to measure primary care investment
- It is feasible to develop and use primary care spending measures
- There is variation among payers – broader use of the measures will help explain why
- Measurement resources are required, need to plan for it – insurer side, state side
- Important to have a process that is transparent and data that is trusted



Next Steps

- Collaborate with primary care specialty societies and researchers on refining definitions
- Sponsor additional research using measures to establish Medicare FFS spending levels
 - Two studies: overall, physician group level
 - Unlike commercial study will not account for non-FFS payment amounts/types
- Connect with national organizations developing and using measures (e.g., HCCL report includes primary care spending measure)



Additional Next Steps

- Work with states to replicate PC spend measures, legislation and regulation
 - New England states collaboration working common data report
 - List of state legislation in appendix
- Disseminate these results at professional meetings
 - PCPCC
- AND continue to support multi-payer models for PC support



Questions?

- If you'd like additional information about Milbank activities:
 - PC spending, total cost of care measures
 - rblock@milbank.org
 - Multi-state collaborative – national forum for CPC+ projects
 - lwatkins@milbank.org



General References

- Commonwealth Fund health system performance commentary
<http://www.nejm.org/doi/full/10.1056/NEJMp1708704>
- Milbank perspectives article on primary care spending rates
http://www.nejm.org/doi/full/10.1056/NEJMp1709538?query=featured_home&
- Health Affairs blog on primary care “disinvestment”
<https://www.healthaffairs.org/doi/10.1377/hblog20180309.891876/full/>



Current Laws and Regulations

- Oregon legislation: requiring primary care spending report
<https://olis.leg.state.or.us/liz/2015R1/Downloads/MeasureDocument/SB231/Enrolled>
- Oregon legislation: setting standards for primary care spending levels
<https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/SB934/Enrolled>
- Oregon primary care spending report
http://www.oregon.gov/oha/HPA/CSI-PCPCH/Documents/2017%20SB231_Primary-Care-Spending-in-Oregon-Report-to-the-Legislature.pdf
- Rhode Island insurance standards
<http://www.ohic.ri.gov/documents/2017-2018-Care-Transformation-Plan-Final-Adopted%20-2017-1-27-w-Attachment-A.pdf>



Proposed Legislation

- Colorado:

http://www.leg.colorado.gov/sites/default/files/documents/2018A/bills/2018a_1365_01.pdf

- California:

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2895



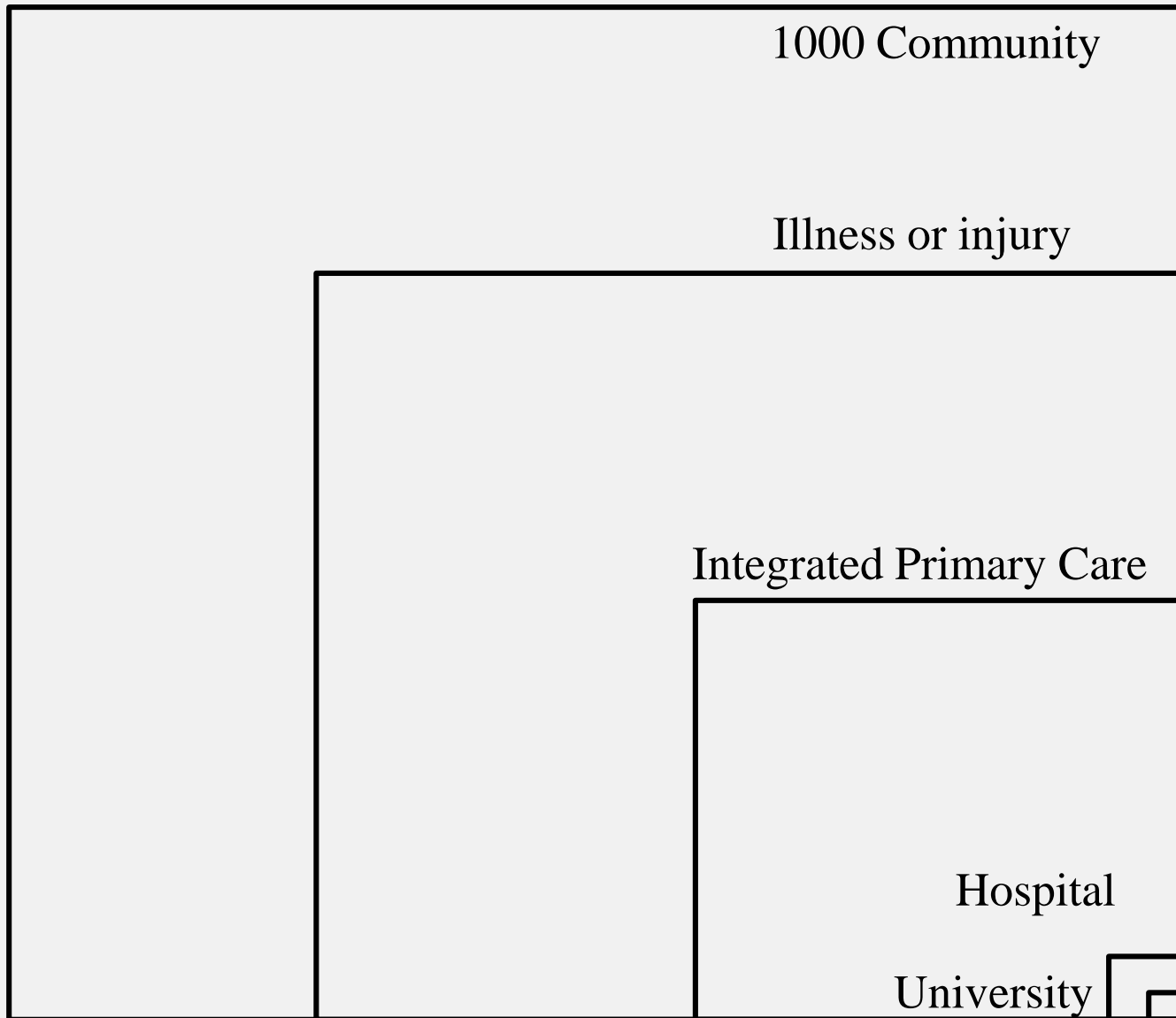
Primary Care Spend: Context and Measurement



Bob Phillips, MD MSPH

**Vice President, American Board of Family Medicine
Professor, Georgetown and Virginia
Commonwealth Universities**

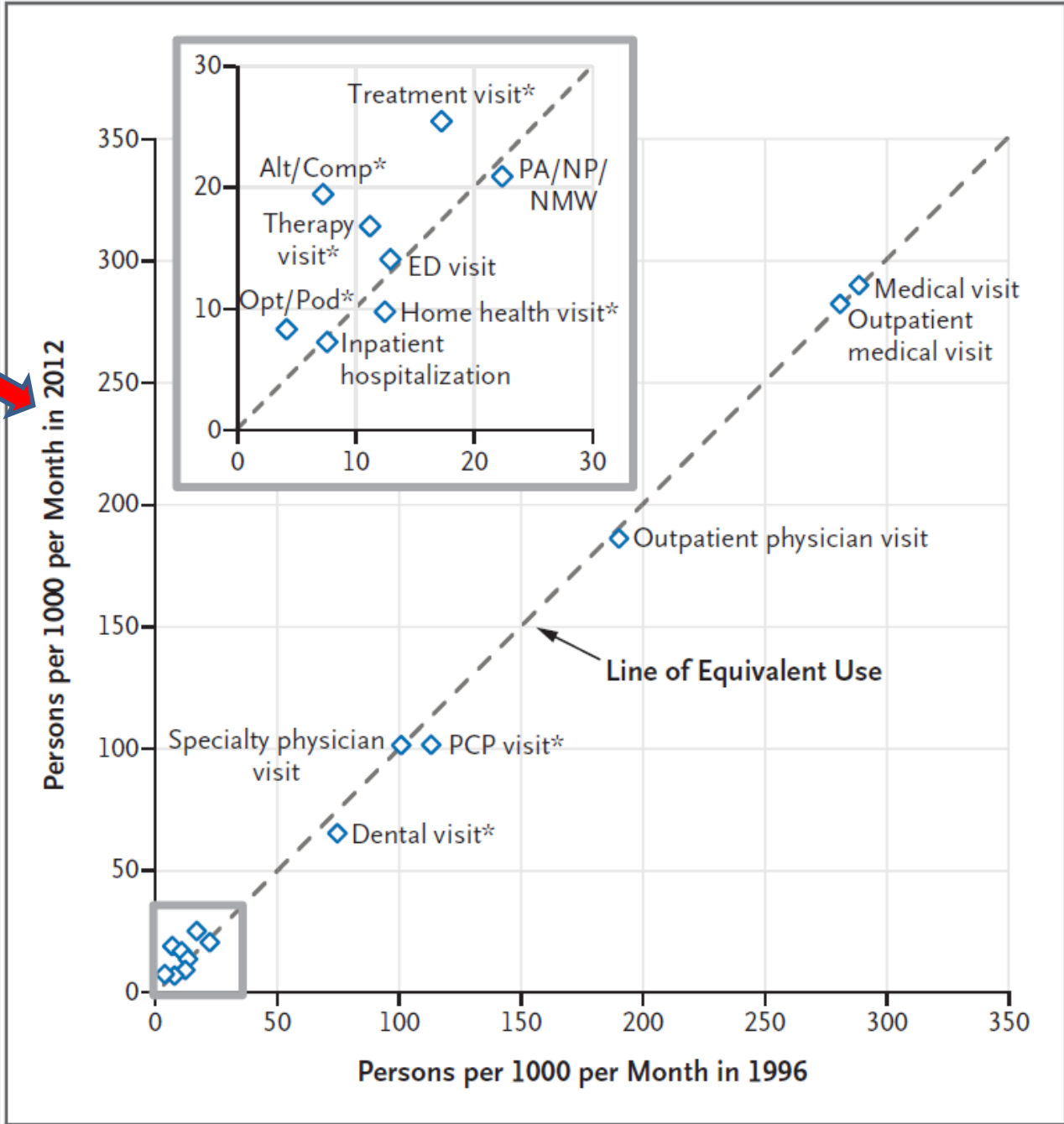
Kerr White Ecology of Medical Care



Kerr White. Ecology of Medical Care, New England Journal of Medicine. 1961.



2012!



How many outpatient visits per year?

- 990,808,000
- (and another 141,420,000 to EDs)
- 51% to Primary Care

2015 National Ambulatory Medical Care Survey



- Primary care is ~6% of health spend
 - 3.6 - 5% of Medicare (Mai Pham; Health Affairs. 2018; 37(6):890-899)
 - 4.8 -7.6% Commercial (*NEJM*. 2017;377(18):1709-1711)
 - 12-17% other developed countries (OECD, 2016)
- Outcomes of systems where spend increases
 - Rhode Island mandated PC funding increase
5.4% to 10.0% (2007-2013) >>18% reduction total spend—a 7-fold ROI
 - Commonwealth Fund = 10% Primary Care Incentive Payment >> 6-fold return on total spending reduction
 - Illinois 31% increase in Medicaid PC spend >> 33% reduction in total spend



Primary Care Spend

Services	Total Expenses (In Millions)	Percent of Total
Primary care, office-based	\$85,688	6.0%
Specialist, office-based	\$219,425	15.4%
Non-physician, office-based	\$128,394	9.0%
Emergency room	\$65,362	4.6%
Prescriptions	\$350,168	24.6%
Home Health	\$67,271	4.7%
Dental	\$91,879	6.5%
Inpatient	\$381,931	26.9%
Vision	\$14,898	1.0%
Other	\$15,839	1.1%
Total	\$1,420,855	100.0%

Fastest Growing

Source: Medical Expenditure Panel Survey (MEPS) (2014)

Analysis by the Robert Graham Center



Methods of Accounting for Primary Care Matter

Percent (%) Spend – Tested Against Definitions	Average	Median	Min	Max	Reported
Primary Analysis	6.6	6.7	5.8	7.5	---
Rhode Island Definition	8.4	8.4	7.7	9.2	5.4 – 8.0%
Oregon Definition	11.0	11.0	10.4	11.8	9 – 13%
OECD Definition	13.8	13.7	13.0	15.0	12%

MEPS, 2014. Analysis by the Robert Graham Center



Methods Conference: Measurement of Primary Care Spending

December, 2017



The Commonwealth Fund

Urban Institute

World Bank

Oregon Health Sciences University

University of Washington

Virginia Commonwealth University

Pan American Health Organization

RAND Corporation

Virginia Commonwealth University

University of Toronto

World Organization of Family Doctors

OECD Health Division

University of Cambridge

NorthShore University

Dartmouth University

Peterson Health Institute

World Health Organization

Bill & Melinda Gates Foundation

Milbank Memorial Fund

Harvard Medical School



Primary Care

“There is no question that part of improving health in poorer countries, as in richer, is the provision of comprehensive primary care.”

- Marmot M. Harvareian Oration: Health in an unequal world. Lancet. 2006;368:2081–94.



Definitions of Primary Care

WHO: essential health care based on practical, scientifically sound and socially acceptable methods and technology made universally accessible to individuals and families in the community

IOM: integrated, accessible health care services by clinicians who are accountable for addressing a large majority of personal health care needs, developing a sustained partnership with patients, and practicing in the context of family and community

Starfield: first-contact, continuous, comprehensive, and coordinated care provided to populations undifferentiated by gender, disease, or organ system

PHAMEU: first level of professional care where people present their health problems and where the majority of the population's curative and preventive health needs are satisfied

Key informant interviews

- “I think we have to understand what we mean by primary care, and then what is the cost of that thing we call primary care.”
- It’s the frontline of health delivery, first touch with a healthcare system, first line of the health care delivery system
- somebody that you can go to when you need to, for the majority of problems
- provided by a team rather than by a person
- work is very broad; curative services, preventive services, mental health; Primary care obstetrics, emergency services may be hospital services or other procedural services
- I don’t know if we should limit it (PC spend) to certain settings...that seems to count against what is one really key feature of primary care, which is the continuity of settings



Challenges

- “In theory, a definition should be the gateway to measurement. In practice, I believe that it is and will be increasingly difficult, because no matter what the definition is, the data will likely not line up with the definition. And the parameters used to define primary care are going to be very hard to identify across countries because the data changes so much across countries and the actual provision of primary care changes so much across countries.”
- “It is extremely unlikely that you will get something that suits all countries...and I think some of the work will need to be done to actually try some of these models and say, ‘well does that give a meaningful comparison’?”

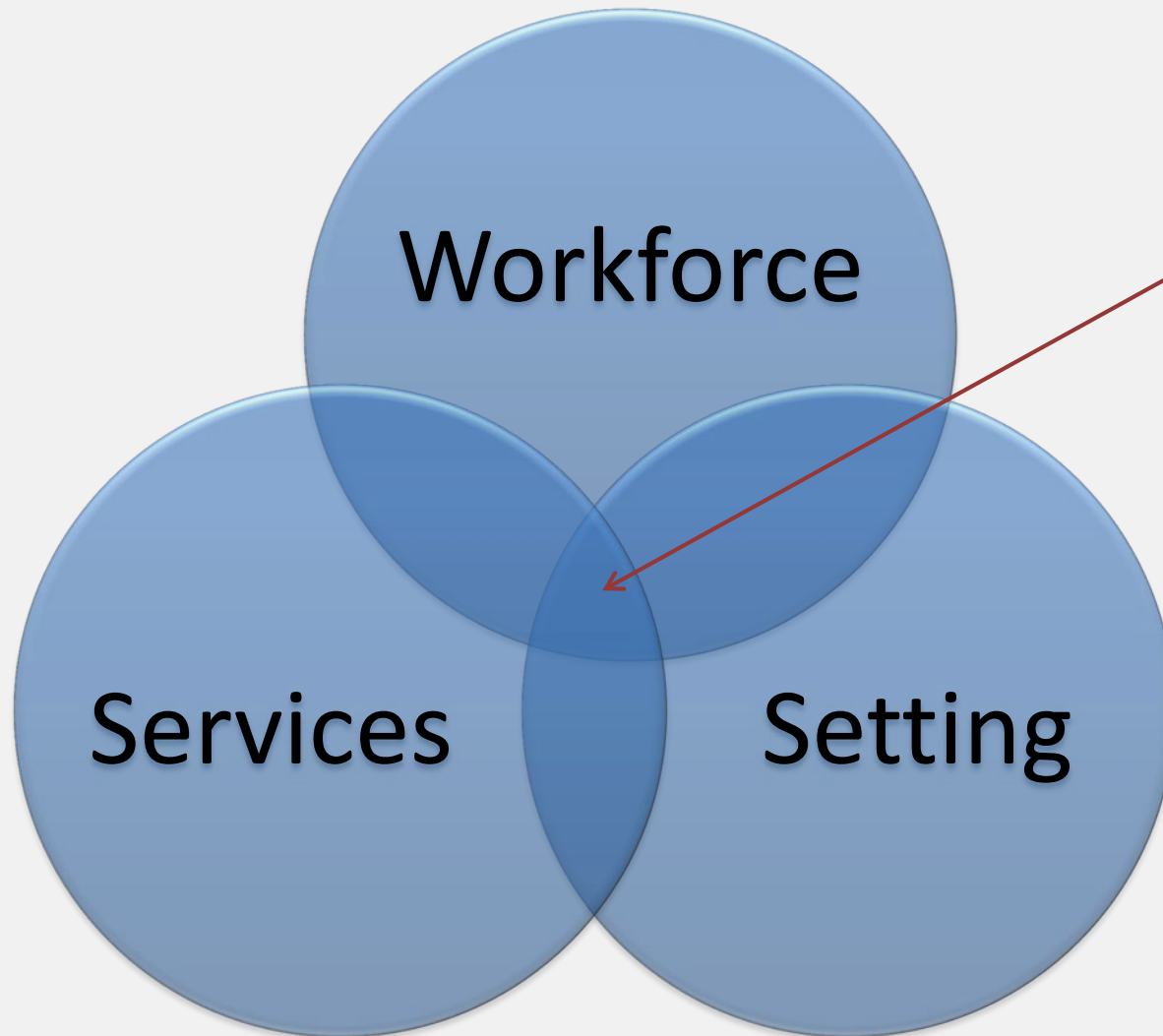


Purpose of Definition

- “I don’t see it as the global definition, I don’t see it as that would be the information that policy development at the country level should strictly use. I think it’s more of an *indicative tracer that supports comparison.*”
- “I think that primary care spend actually represents an *important point for advocacy around primary care.* And the fact that it has happened in two states could be sort of a way to leverage increase support for primary care nationally through a state by state approach. And so I think of it as very important and promising and sort of as a way forward.”



Current PC Spend Methodologies Use These Domains

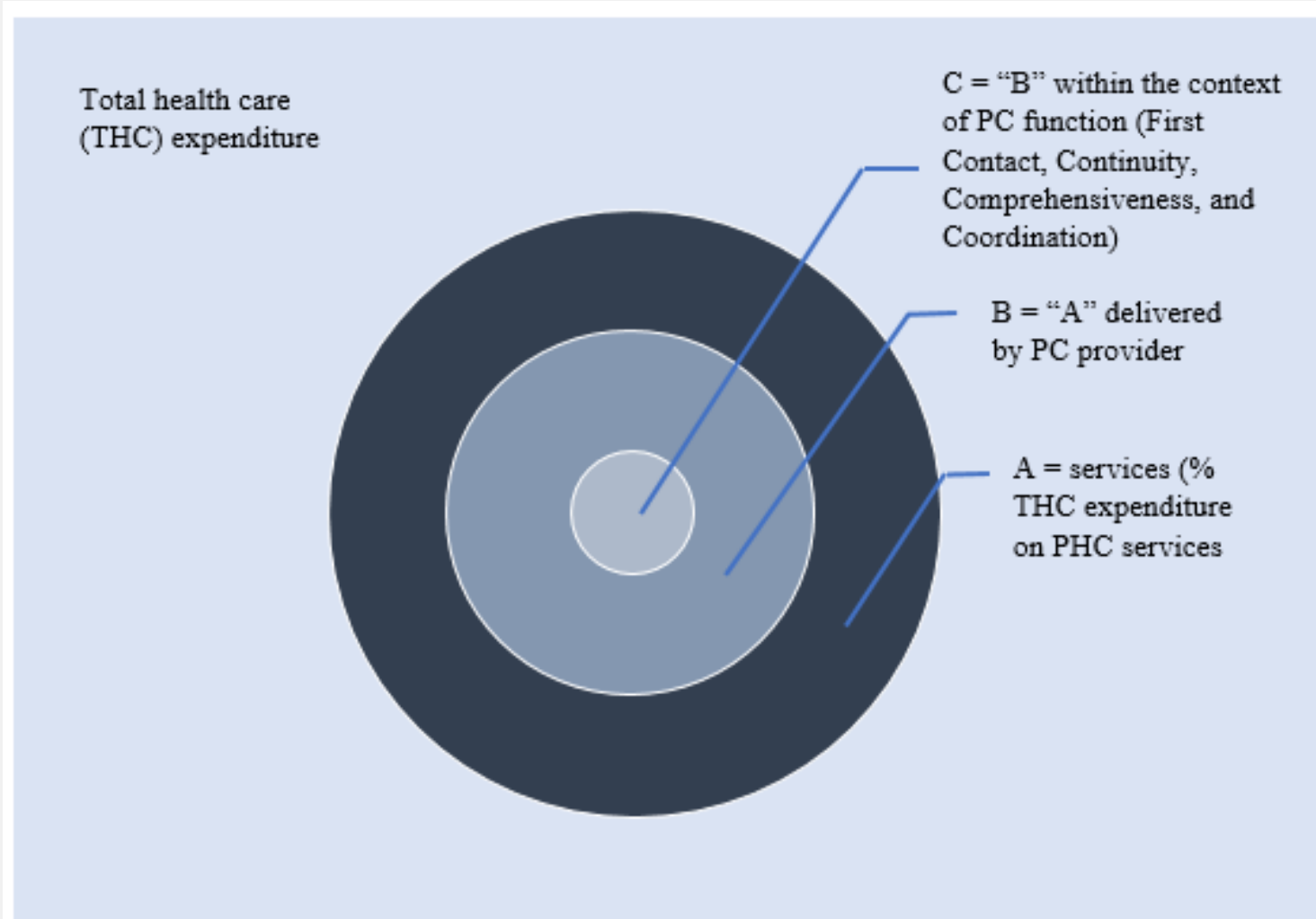


Each may enable but none captures all elements of the Primary Care Function:

- Comprehensive
- Coordinated
- First Contact
- Continuous



Proposed Framework for Primary Care Spend Definitions



Questions?



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