PRIMARY CARE PAYMENT MODELS

OVERVIEW

The Health Care Payment Learning & Action Network (LAN) released a white paper entitled Accelerating and Aligning Primary Care Payment Models, which provides a springboard to speed the adoption of alternative payment models (APMs) in the health care system. APMs are a key strategy in health care payment transformation, helping to shift focus from quantity to quality in health care.

WHAT ARE PRIMARY CARE PAYMENT MODELS?

Primary care payment models (PCPMs) are APMs that focus on primary care payments as a key part of the entire health care delivery and payment system. PCPMs can reduce the administrative burden of primary care, encourage team-based approaches to care and coordination, and allow for flexibility and innovation of value-based delivery approaches.

IMPORTANCE OF PRIMARY CARE PAYMENT MODELS

Primary care is often the first point of contact for patients, accounting for more than 55 percent of the 1 billion physician office visits each year in the United States. Although direct spending on primary care makes up a very small portion of national health care spending, decisions made by primary care professionals influence up to 90 percent of total health care costs through referrals to other doctors, clinical testing and procedures, and patient hospitalizations (UnitedHealth Group Center for Health Reform & Modernization, 2014, p. 2). Current primary care payment policies encourage fragmented and uncoordinated care, and primary care teams face overwhelming administrative requirements that deprive them of time with patients and contribute to professional burnout of team members.

STRUCTURAL COMPONENTS of PCPMs

In order for primary care payment models (PCPMs) to function effectively, the PCPM Work Group recommends that provider organizations use the payment and incentive structures outlined in the PCPM White Paper when compensating individual primary care practices. Figure 3 illustrates how the main structural features of PCPMs advanced in the paper - infrastructure payments, targeted FFS carve out, and incentive payments - exist in relation to Categories 3 and 4 of the LAN's APM Framework.

	Category 3 APMs Built on Fee-for-Service (FFS) Architecture	Category 4 Population-Based Payment (PBP)
Infrastructure Payment	Upside/Downside Risk on an FFS architecture for majority of services (including behavioral health) Care Management Fee (PMPM)	PBP for majority of services (including behavioral health)
Targeted FFS Carve Out		FFS for limited office-based services
Incentive Payments	Bonus for quality processes Bonus for quality outcomes Fee for Primary Care Medical Home (PCMH) outcomes	

THE WHITE PAPER

The white paper advances a vision for PCPMs that could transform primary care. It offers consensus recommendations that public and private payers (i.e., Medicare, Medicaid, and commercial plans) can use to align payments to primary care practices. Established through multi-stakeholder deliberations, the paper proposes several principles and recommendations for implementing APMs in primary care.

PRINCIPLES for PCPMs

✓ New payment models will need to support high-value primary care that fosters health for all patients (including underserved, at-risk, vulnerable, and complex patients), expands access to innovative methods of delivering effective care, and minimizes disparities in care.

✓ PCPMs will need to allow primary care practices to focus on work that promotes the health of patient populations and minimize work that does not contribute to high-quality care.

✓ PCPMs will need to enhance collaboration with specialists, hospitals, emergency departments, and other health care professionals to deliver timely, appropriate, and efficient care.

✓ Performance measurement in PCPMs will need to promote excellent clinical and patient experience outcomes that reflect patient goals and whole-person care, to enable health care professionals to partner with patients and families to achieve the outcomes they desire.

✓ PCPMs will need to encourage robust integration of primary care, behavioral health (including substance use treatment programs), and strong linkages with community resources to address social determinants of health.

✓ PCPMs will need to promote multifaceted efforts to make caregivers and patients partners in the delivery of their care, as well as at all levels of PCPM design, implementation, governance, and evaluation.

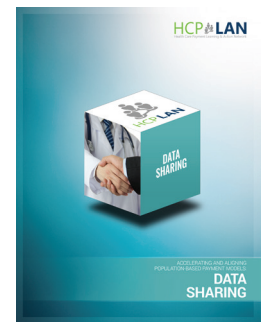✓ Payers and primary care teams will need to collaborate in partnerships to ensure the success of PCPMs.
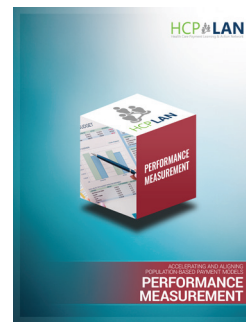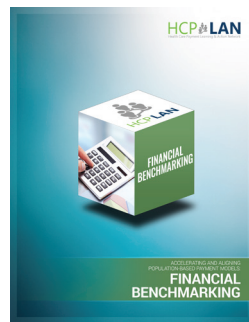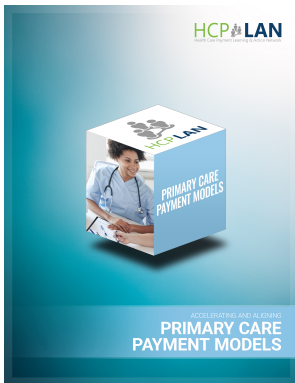
MOVING FORWARD

The LAN white paper reflects the latest thinking from leading experts in the field of health care payment and offers recommendations for developing primary care payment models. The paper serves as an important resource for providers, payers, employers, patients, consumer groups, health experts, and state and federal government agencies to help accelerate the adoption of APMs nationwide. These recommendations encourage greater alignment in the field to increase adoption toward the goal of tying 50% of U.S. health care payments to APMs by 2018.

For a full list of recommendations go to:
https://hcp-lan.org/groups/pcpm/
pcpm-final-whitepaper/

REVIEW OUR SUITE OF OTHER LAN WHITE PAPERS

PRIMARY CARE PAYMENT MODELS

FINANCIAL BENCHMARKING

PERFORMANCE MEASUREMENT

DATA SHARING

ABOUT THE LAN

PURPOSE

The Health Care Payment Learning & Action Network (LAN) aims for:

BETTER CARE   SMARTER SPENDING   HEALTHIER PEOPLE

MISSION

To accelerate the health care system's transition to alternative payment models (APMs) by combining the innovation, power, and reach of the private and public sectors.

OUR GOAL

The LAN aims to have 50% of U.S. health care payments in alternative payment models (APMs) by 2018.

2018
50%