

# Primary Care Investment: Opportunities in New Jersey

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Milbank Memorial Fund

# About The Milbank Memorial Fund

The Milbank Memorial Fund is an endowed operating foundation that works to improve population health by connecting leaders and decision-makers with the best available evidence and experience.

We advance our mission by:

- Identifying, informing, and inspiring current and future state health policy leaders to enhance their effectiveness;
- Working with state health policy decision makers on issues they identify as important, particularly in areas related to primary care transformation, sustainable health care costs, and aging, and
- Publishing high-quality, evidence-based publications and *The Milbank Quarterly*, a peer-reviewed journal of population health and health policy.

# Agenda for Today

1. The case for primary care as a common good
2. 2021 NASEM report recommendations
3. New Jersey budget language implications
4. Experiences and lessons earned in other states



# Implementing High-Quality Primary Care:

## Rebuilding the Foundation of Health Care

May 2021

 [nationalacademies.org/primarycare](https://nationalacademies.org/primarycare)  
[primarycare@nas.edu](mailto:primarycare@nas.edu)

# 2021 NASEM Report

## Updated Definition of Primary Care

“High-quality primary care is the provision of whole-person, integrated, accessible, and equitable health care by interprofessional teams that are accountable for addressing the majority of an individual’s health and wellness needs across settings and through sustained relationships with patients, families, and communities.”

# Primary Care Matters

- Primary Care is only part of health care system that results in longer lives and more equity.
  - Areas with more primary care (per capita and relative to specialists) have longer lifespans
  - Primary care-oriented delivery systems have lower disparity rates
- Primary Care is weakening in the U.S. when it is needed most.
  - Portion of health care spending going to primary care is decreasing
  - At a time of increasing inequity and low pandemic resilience.
- A primary-care oriented system is a less expensive one
  - *In the long run*

# 2021 NASEM Report

## High Quality Primary Care is a Common Good

- “Common Good”: all have access (EMTALA) but limited supply (more for you means less for me)
  - K-12 education is an example
- Compare to other framing:
  - Primary Care is a service - subject to private transactions
  - Access and scarcity addressed by market
- Common Goods require public policy to steward
  - We will not innovate our way to high quality primary care for all

# What Will it Take to Strengthen Primary Care?

## 5 Objectives for Achieving High-Quality Primary Care

1

PAYMENT

Pay for primary care teams to care for people, not doctors to deliver services.

2

ACCESS

Ensure that high-quality primary care is available to every individual and family in every community

3

WORKFORCE

Train primary care teams where people live and work

4

DIGITAL HEALTH

Design information technology that serves the patient, family, and interprofessional care team

5

ACCOUNTABILITY

Ensure that high-quality primary care is implemented in the United States



# Pay for Teams to Care for People, Not Doctors to Deliver Services

**Action 1.1:** Payers should evaluate and disseminate payment models based on their ability to promote the delivery of high-quality primary care, not short-term cost savings.

**Action 1.2:** Payers using fee-for-service models for primary care should shift toward hybrid reimbursement models, making them the default over time. For risk-bearing contracts, payers should ensure that sufficient resources and incentives flow to primary care.

**Action 1.3:** CMS should increase overall portion of health care spending for primary care by improving Medicare fee schedule and restoring the RUC to advisory nature.

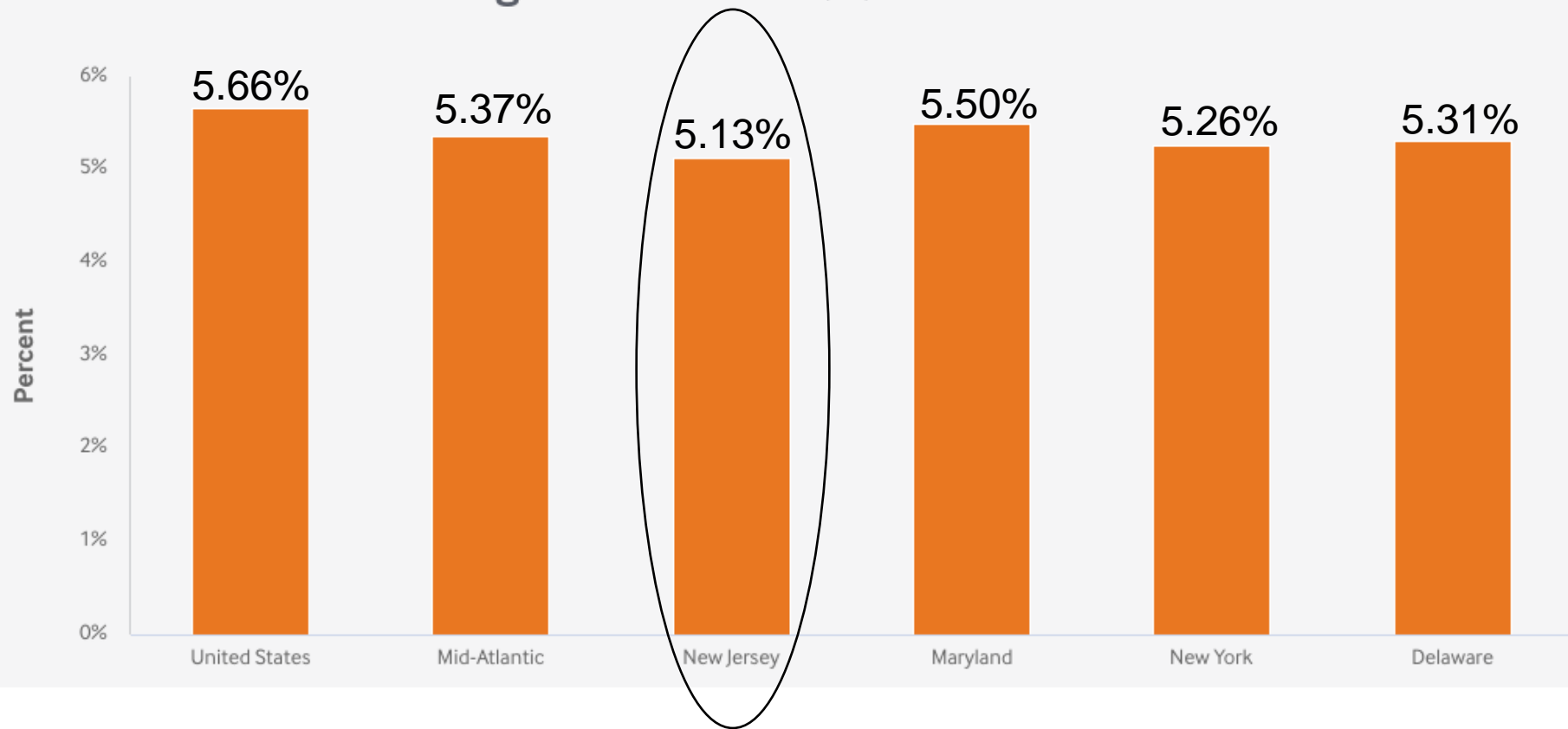
**Action 1.4:** States should facilitate multi-payer collaboration and increase the portion of health care spending for primary care.

# New Jersey Budget Language

- Medicaid and Public Employees collect and publish primary care spend information by carrier
- Office of the Treasurer conduct a market scan of State-funded team-based primary care models and publish findings

# New Jersey: relatively less primary care- oriented than its neighbors

Primary care spending as share of total health care spending among Medicare beneficiaries age 65 and older (%)



# One in six adults in NJ do not have a usual source of care

Adults Who Report Not Having a Personal Doctor/Health Care Provider by Race and/or Ethnicity (2020)

Location	All Adults	White	Black	Hispanic	Asian/ Native Hawaiian or Pacific Islander	American Indian/ Alaska Native
United States <sup>1</sup>	20.1%	16.3%	18.9%	36.5%	26.0%	25.3%
Delaware	15.8%	11.3%	11.5%	40.1%	21.7%	NSD
Maryland	12.7%	9.6%	11.0%	41.2%	16.3%	NSD
New Jersey	16.9%	12.8%	17.0%	31.9%	17.7%	NSD
New York	17.7%	13.8%	16.3%	31.2%	25.2%	26.4%

<sup>1</sup>US totals exclude data from the territories

# Making Primary Care a State Policy Priority

## Lessons from Other States

# State activity to measure or increase primary care spending

## States that have set primary care investment targets

**Oregon (requirement)**\_: 12% by 2023

**Rhode Island (requirement)** : 10.6% by 2014

**Connecticut**: 10% by 2025

**Delaware**: 9-11% by 2025 (provisional target)

**Colorado**: 1 percentage point increases in 2022 and 2023

## State legislation/action pending or in the works

**Maine, Massachusetts, Connecticut**: Legislation pending on setting primary care spending targets

**New Jersey, Colorado, Rhode Island**: Updated regulations/executive orders on affordability standards

**California, Pennsylvania**: Bills pending on affordability standards

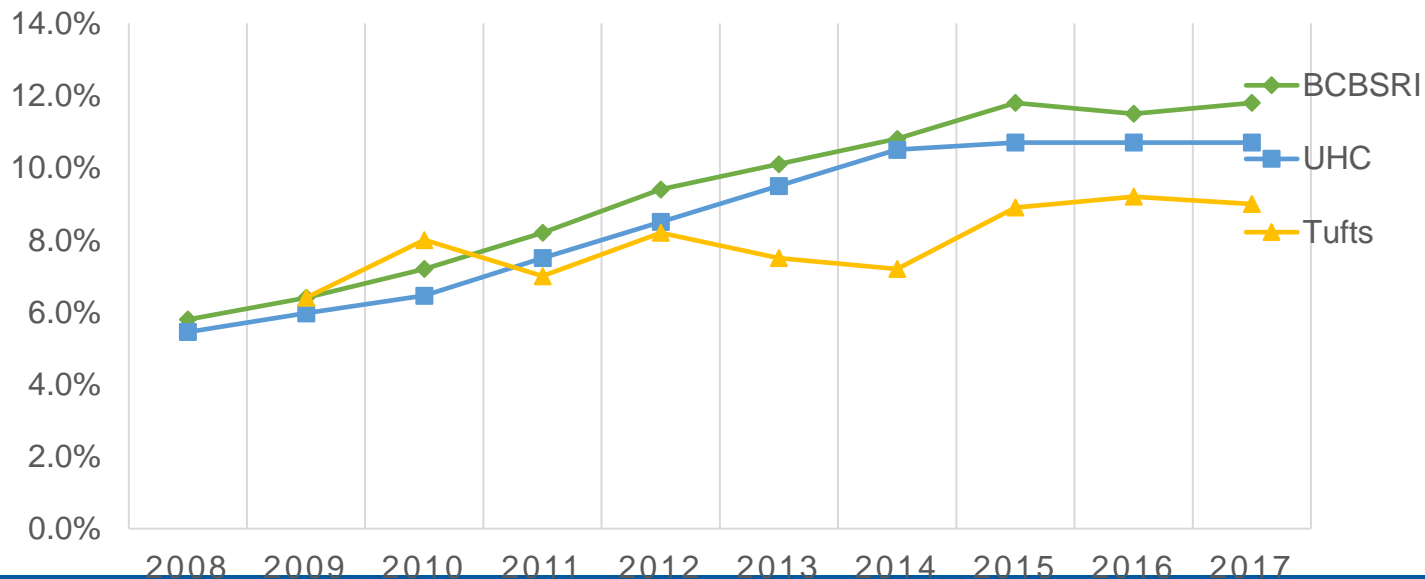
**New York, Utah, Maryland, Nebraska, Hawaii**: Legislation pending on reporting primary care spending

**Pennsylvania**: Executive Order to develop primary care spending targets

# Lesson #1: Keep it Simple, Stupid

- First goal is more money into primary care and pay in non FFS ways
- Everything else (what kind of primary care, how to pay) is secondary

## Primary Care Spending as Percent of Total Medical Spending in RI by Insurer (2008-2017) *(Self-insured plan payments not captured)*



# Lesson #2: The More Payer Types the Better

- Oregon has Medicaid, Medicare Advantage, Commercial and Public Employees in its spend target.
- Necessary to mover the market – and change the economics of the system



# Lesson #3: Measure Regularly, Publicly and By Payer

## Primary Care Spending in Oregon 2021



### Primary care spending

Select Line of Business

Commercial

Select Line of Business

As percent of total



# Lesson #4: Have a State-Convened Table to Build Alignment and Political Will

**Colorado: House Bill 19-1233** in 2019 established a **Primary Care Payment Reform Collaborative** at Department of Insurance to:

**Recommend** a definition of primary care to the Insurance Commissioner;

**Advise** in the development of broad-based affordability standards and targets for commercial payer investments in primary care;

**Coordinate** with the All-Payer Claims Database (APCD) to analyze the percentage of medical expenses allocated to primary care by insurers, Health First Colorado (Colorado's Medicaid Program), and Children's Health Plan *Plus* (CHP+);

**Report** on current health insurer practices and methods of reimbursement that direct greater resources and investments toward health care innovation and care improvement in primary care;

# Colorado (continued)

**Identify** barriers to the adoption of APMs by health insurers and providers and develop recommendations to address these barriers;

**Develop** recommendations to increase the use of APMs that are not FFS in order to:

- Increase investment in advanced primary care models,
- Align primary care reimbursement models across payers,
- Direct investment toward higher-value primary care services with an aim at reducing health disparities;

**Consider** how to increase investment in advanced primary care without increasing costs to consumers or increasing the total cost of health care;

**Develop** and share best practices and technical assistance to health insurers and consumers. Each year by December 15, the Collaborative publishes primary care recommendations in a report

# Challenges/Opportunities for New Jersey

- Define the problem you are trying to solve  
(Payment model? Care model? Supply? Dollars?)
- Is there state government capacity and will to attend to this Public Good?
- Link to Governor's Cost Growth Affordability Work  
(see WA)
- Getting to multipayer impact

# Think this is not Important?

Issue Brief  
September 2021

Milbank  
Memorial Fund  
*Using evidence to improve population health*



## Improving COVID-19 Outcomes for Medicare Beneficiaries: A Public Health–Supported Advanced Primary Care Paradigm

Chad Perman, Eli Adashi, Emily Gruber, and Howard Haft

	PCP teams with Support and Payment Reform	PCP Teams without
% with Covid DX	4.3	4.6
% with COVID admission	1.29	1.43
% with COVID Death	.41	.50

# Questions?