UNIVERSAL PRIMARY CARE: NOW MORE THAN EVER

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The Goals of Universal Primary Care

- Every Vermonter will have equal access to a primary care provider without any out of pocket costs
- Primary care providers will be adequately compensated for care provided to every patient
- Integration of mental health and substance abuse services into primary care
- Retention and Recruitment of Primary care practitioners

UNIVERSAL PRIMARY CARE: THE VISION

- Every Vermonter will have free primary care- including mental health and substance abuse services- with no cost sharing
- Private insurance covering primary care will no longer be necessary
- Primary care practitioners will be paid on a risk based capitation model

What is primary care?

- “Primary care means health services provided by health care professionals who are specifically trained for and skilled in first contact and continuing care for individuals with signs, symptoms, or health concerns, not limited by problem origin, organ system, or diagnosis, and includes pediatrics, internal and family medicine, gynecology, primary mental health services, and other health care services commonly provided at federally qualified health centers.”

Primary Care : Why Is this so important ?

- Primary care practices provide 50- 60 percent of all daily patient contacts in the US.
- About 75 percent of American adults, and about 65 percent of the parents of American children, can name a primary care physician or practice as their usual source of health care
- **Primary care provides most of the care to most of the people most of the time**

PRIMARY CARE

- Primary Care is the only medical service that has ever been shown to improve the health of the population
- Primary Care keeps people out of the emergency room, out of the hospital, and away from medical services that are unnecessary
- If everyone had access to a primary care practitioner we could reduce household spending by over $1 billion over the next 10 years in Vermont *

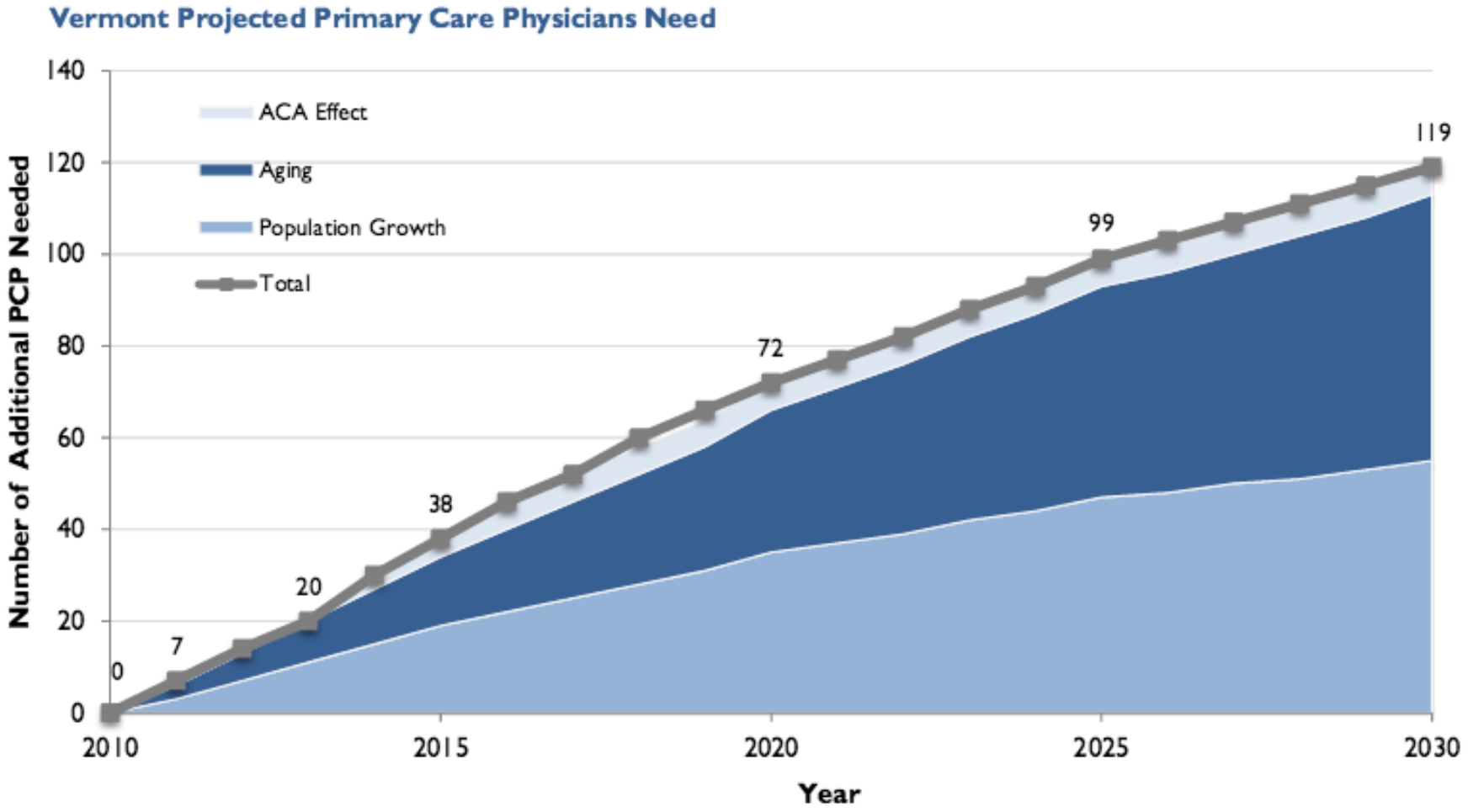
*Source: Commonwealth Fund Commission on a High Performance Health System, Jan 2013 (Extrapolated from national figures)

The Primary Care Workforce 2013: We're Already in Trouble

- In Vermont, during the three-year period of 2011 to 2013, the number of primary care practitioners grew; **however, the shortage of adult primary care practitioners continued statewide**.
- **Almost two-thirds of the internal medicine physicians and almost half of the family medicine physicians continued to limit or close their practice to new patients in 2013**.

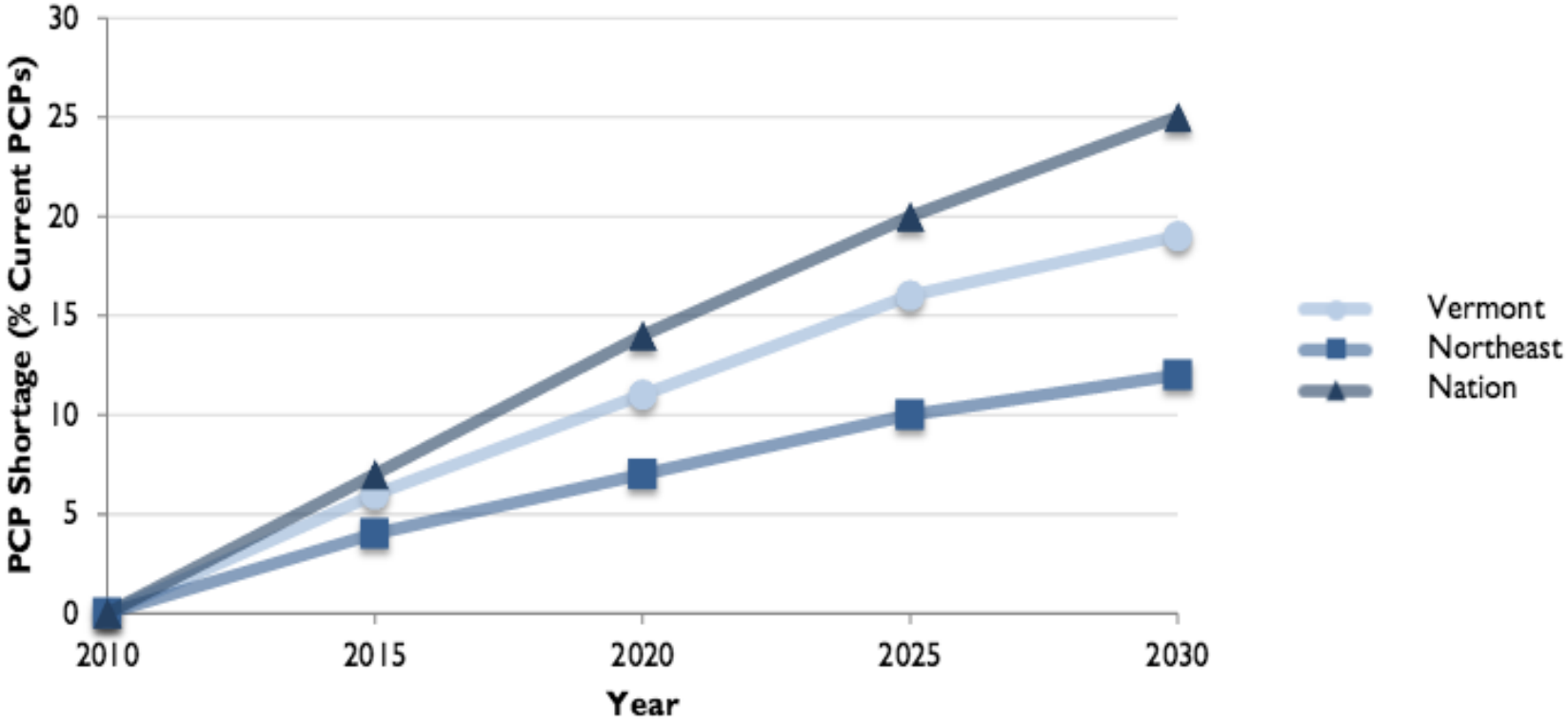
Source: AHEC 2013 report, www.vtahec.org

To maintain current rates of utilization, Vermont will need an additional 119 primary care physicians by 2030, a 19% increase compared to the state's current (as of 2010) 606 PCP workforce.



SOURCE:Petterson, Stephen M; Cai, Angela;
Moore, Miranda;Bazemore, Andrew. State level projections of primary care workforce, 2010
-2030. September 2013, Robert Graham Center, Washington, DC

Physician Demand Comparison – State, Region, Nation



Implications for Vermont

SOURCE:Petterson, Stephen M; Cai, Angela;
Moore, Miranda;Bazemore, Andrew. State level projections of primary care workforce, 2010-2030. September 2013, Robert Graham Center, Washington, DC

Highlights: Vermont's Projected Primary Care Physician Demand

Additional PCPs Required by 2030

119

Or, **19%** of current workforce, due to an aging, growing and increasingly insured population.

Current Primary Care Physician Workforce

606

The state's PCP ratio of 1076:1 is lower than the national average of 1463:1.

Potential Solutions –

Bolster the Primary Care Pipeline

- Physician reimbursement reform
- Dedicated funding for primary care Graduate Medical Education (GME)
- Increased funding for primary care training (Title VII, Section 747)
- Medical school student debt relief

SOURCE:Petterson, Stephen M; Cai, Angela;
Moore, Miranda;Bazemore, Andrew. State level projections of primary care workforce, 2010-2030. September 2013, Robert Graham Center, Washington, DC

Implications for Vermont

To maintain the status quo, Vermont will require an additional 119 primary care physicians by 2030, a 19% increase of the state's current (as of 2010) 606 practicing PCPs. The current population to PCP ratio of 1076:1 is lower than the national average of 1463:1. The 2030 projection stands above the Northeast overall and below the nation overall. Components of Vermont's increased need for PCPs include 48% (58 PCPs) from increased utilization due to aging, 46% (55 PCPs) due to population growth, and 5% (6 PCPs) due to a greater insured population following the Affordable Care Act (ACA).

Pressures from a growing, aging, increasingly insured population call on Vermont to address current and growing demand for PCPs to adequately meet health care needs. Policymakers in Vermont should consider strategies to bolster the primary care pipeline including reimbursement reform, dedicated funding for primary care Graduate Medical Education (GME), increased funding for primary care training and medical school debt relief.

SOURCE:Petterson, Stephen M; Cai, Angela;
Moore, Miranda;Bazemore, Andrew. State level projections of primary care workforce , 2010-2030. September 2013. Robert Graham Center, Washington, DC

Primary Care Physicians are “burning out”

Burnout is a reaction to chronic, job-related stress.

“A literal collapse of the human spirit” (Storlie 1979).

“The loss of concern for the people with whom one is working”(Maslach 1976).

“psychological withdrawal from work in response to excessive stress and dissatisfaction” (Cherniss 1980)

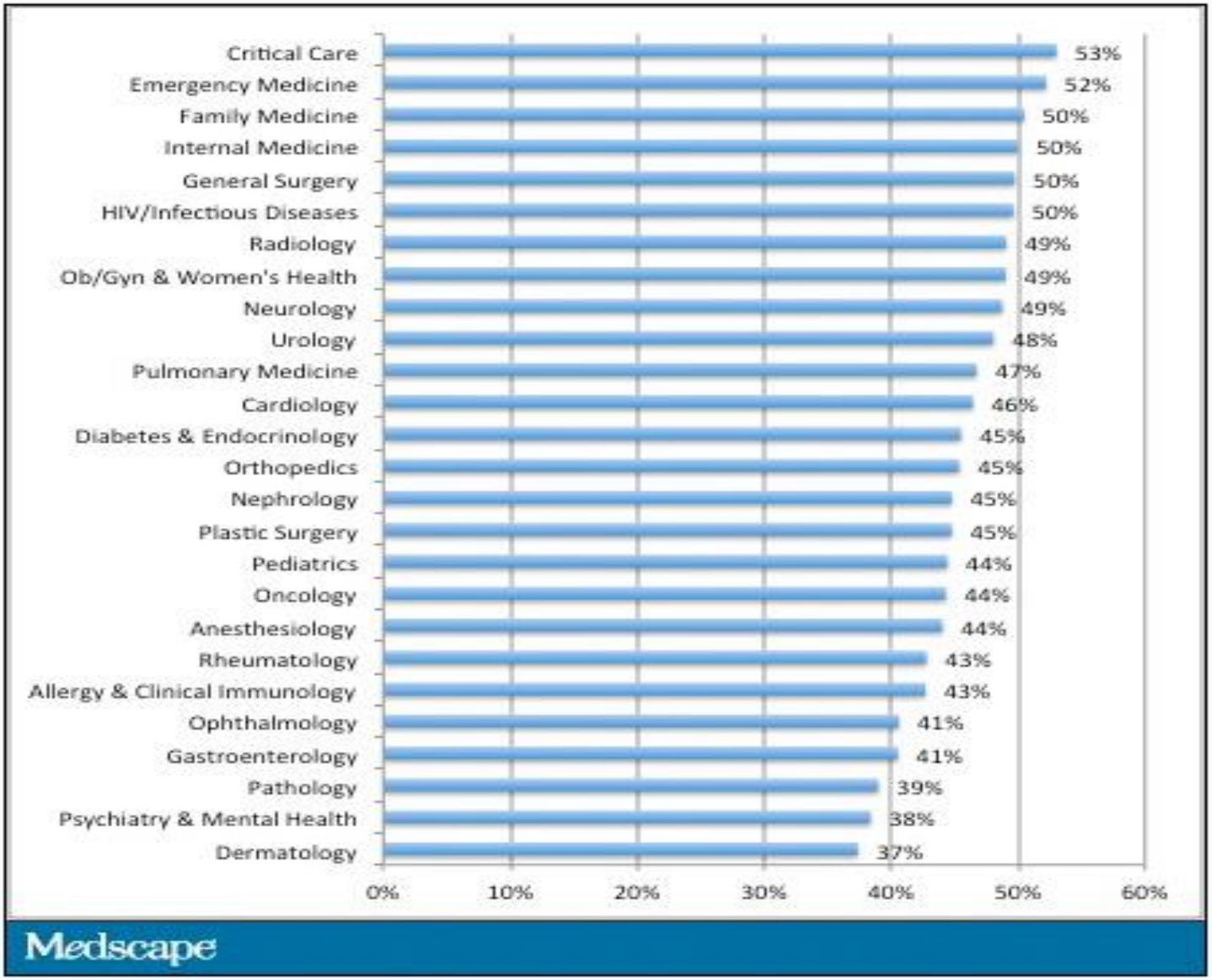


Figure 1. Half of our nation's primary care doctors are burned out

Percentage of burned-out physicians by specialty.

Source: Medscape Family Medicine 2015

Benefits of Primary Care

- It is the only sector of health care that has been shown to improve population health
- Increases life expectancy
- Lowers infant mortality
- Lower rates of all causes of premature mortality
- Lower heart disease mortality
- Lower cancer mortality
- Lower premature mortality from asthma and bronchitis, emphysema and pneumonia,

SOURCE: Contribution of Primary Care to Health and health Systems
http://www.commonwealthfund.org/usr_doc/Starfield_Milbank.pdf

Patients with a Regular Primary Care Provider as Their Usual Source of Care:

- Are more likely to receive recommended preventive services
- Their care is associated with better quality
- They have better health outcomes
- They live longer
- They utilize care less often
- Their health care costs are lower
- They have greater rates of satisfaction with their overall health care
- They have lower rates or Emergency room visit for non-urgent conditions.
- They have lower rates of hospital admissions
- They have fewer low birth rate babies
- They have lower infant mortality rates
- They get earlier detection of colon, breast and skin cancer

Source: **Primary Care: A Critical Review Of The Evidence On Quality And Costs Of Health Care**
http://content.healthaffairs.org/content/29/5/766.full

WHY IS PRIMARY CARE IMPORTANT?

PRIMARY CARE IS EFFECTIVE AND AFFORDABLE

Adults (age 25 and older) with a primary care physician rather than a specialist as their personal physician:

–had 33% lower cost of care

–were 19% less likely to die prematurely

Source: Franks & Fiscella, J Fam Pract 1998; 47:105

AND THERE"S MORE !!!!!

Benefits of Primary Care

- Studies show that an increased supply of primary care physicians is associated **with lower health care costs**
- Patients in poor health living in primary care shortage areas were twice as likely experience a preventable hospital admission
- Patients living in primary care shortage areas are less likely to get diagnosed early and experienced a lower 5 year survival rate from breast cancer

SOurce"Medicare costs in urban areas and the supply of primary care physicians."
Mark DH, Gottlieb MS, Zellner BB, Chetty VK, Midtling JE. Journal of Family Practice. 1996;43:33–9
"Preventable Hospitalizations in Primary Care Shortage Areas. An Analysis of Vulnerable Medicare Beneficiaries.
Archives of Family Medicine"Parchman ML, Culler SD.. 1999;8:487–91
"Associations of physician supplies with breast cancer stage at diagnosis and survival in Ontario, 1988 to 2006". Gorey KM, et.al.:
Cancer; 2009 Aug 1;115(15):3563-70

Universal Primary Care: What Would it Cost ?

Table 1a. Summary of Claim Cost Estimates for Universal Primary Care in 2017, With and Without Cost-Sharing[8]

Claim Costs	Status Quo	UPC With Cost-Sharing	UPC Without Cost-Sharing
Total Claim Costs	$221,747,000	$220,236,000	$281,929,000
Paid by Medicaid[9]	($107,371,000)	($107,371,000)	($107,371,000)
Net Claim Costs	$114,376,000	$112,865,000	$174,558,000
% Covered by the payer, on average	87%	87%	100%

Table 1b. Administrative Cost Estimates for Universal Primary Care in 2017, 7% - 15%

Administrative Costs	Status Quo	UPC With Cost-Sharing	UPC Without Cost-Sharing
7% Admin Cost (low estimate)	$8,006,320	$7,900,550	$12,219,060
15% Admin Cost (high estimate)	$25,746,080	$25,519,430	$34,773,380

How much $ will need to be publicly financed?

	Costs (2017)	UPC with Cost-Sharing	UPC with No Cost-Sharing
A	Medical Claims (netting out Medicaid $)	$113 million	$175 million
B	Administrative Cost Estimate (7%-15%)	$8-$26 million	$12-$35 million
	TOTAL BASE COST (Claims + Admin)	**$121-$139 million**	**$187-$210 million**
C	Provider Reimbursement Increases (modeled 10%-50% increases as possible options)	$25-$135 million additional	
D	Other costs	Identified by AOA and JFO for further study if moving forward	

2017 Estimated Total Claim Cost of the Program

			2017 Estimated Total Claim Cost of Program		
Market	Estimated Members	Universal Primary Care Coverage	Status Quo	Universal Primary Care with Cost Sharing	Universal Primary Care without Cost Sharing
Commercial	296,400	Primary	$103,944,000	$102,464,000	$150,040,000
Military	14,400	Excluded	$0	$0	$0
Federal	14,400	Primary	$4,905,000	$4,905,000	$6,215,000
Medicaid	150,500	Primary	$107,371,000	$107,371,000	$107,371,000
Medicare	140,800	Secondary	$0	$0	$11,382,000
Uninsured	13,100	Primary	$5,527,000	$5,496,000	$6,921,000
Total	**629,600**		**$221,747,000**	**$220,236,000**	**$281,929,000**
Compared to Status Quo				**($1,511,000)**	**$60,182,000**

What would happen to health care costs if we increase payments to primary care by 10%?

- A Commonwealth Study looked at this and found we could reduce Medicare costs by 2% overall due to increase utilization of primary care vs. specialist for routine care.
- The model projects that under the fee increase, primary care costs will rise by $89 per beneficiary while the cost of other services declines by $571, for a net drop of $482 per beneficiary in 2010 dollars
- Primary care does so by detecting disease earlier, substituting less-costly care for more expensive specialist services, providing greater coordination of care and less duplication of services, and reducing preventable hospitalizations.

Source: Paying More for Primary Care: Can It Help Bend the Medicare Cost Curve? Reschovsky, J et al. Commonwealth Fund Issue Brief 2012

VERMONT HEALTH CARE COSTS: 2013

Vermont is spending 18.1 % of GSP on Health Care

Per person costs $8505

Total spending $5.3 billion

Source: GMC Board 2015

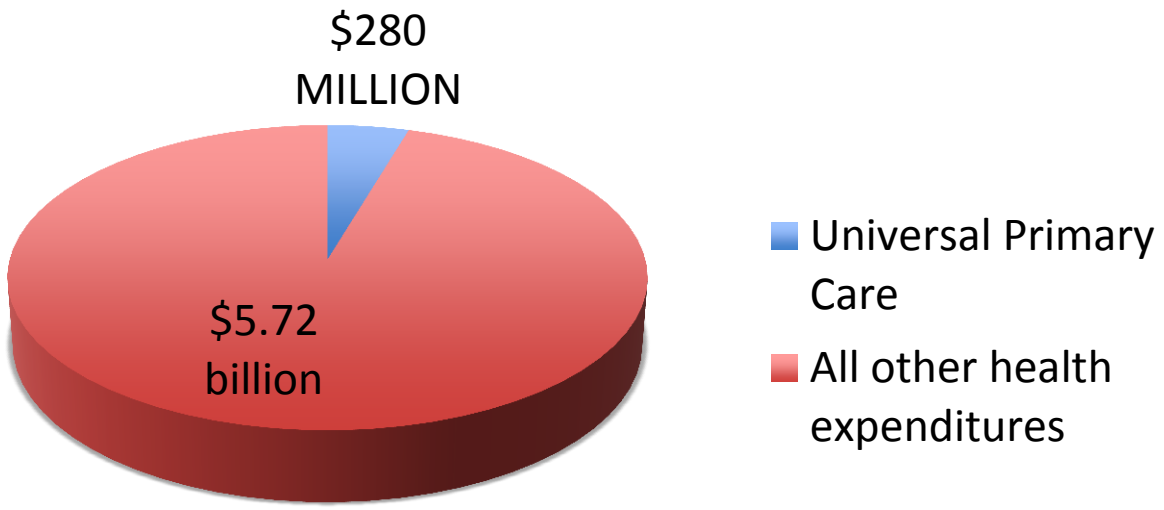
VERMONT HOSPITAL COSTS

Total spending on hospital costs in VT $2.2 billion (2015)

Have increased $1 BILLION in the past 10 years

Source: BISHCA data , GMC BOARD

UNIVERSAL PRIMARY CARE IS A SMALL INVESTMENT FOR A LARGE RETURN



Vermont Health Expenditures 2017 (est.)

Spain Did it Why Can't We?

From 1978 on, Spain rapidly expanded and strengthened its primary health care system, offering a lesson in how to improve health outcomes in a cost-effective manner. The nation moved to a tax-based system of universal access for the entire population and, at the local level, instituted primary care teams coordinating prevention, health promotion, treatment, and community care. Gains included increases in life expectancy and reductions in infant mortality, with outcomes superior to those in the United States. In 2007 Spain spent $2,671 per person, or 8.5 percent of its gross domestic product on health care, versus 16 percent in the United States. Despite concerns familiar to Americans—about future shortages of primary care physicians and relatively low status and pay for these physicians—the principles underlying the Spanish reforms offer lessons for the United States.

Source: **Renewing Primary Care: Lessons Learned From The Spanish Health Care System, Borkan, J et.al.,** *Health Aff August 2010 vol. 29 no. 8 1432-1441*

Exhibit 1

Selected Health Indicators, Spain And United States, 1986 And 2006

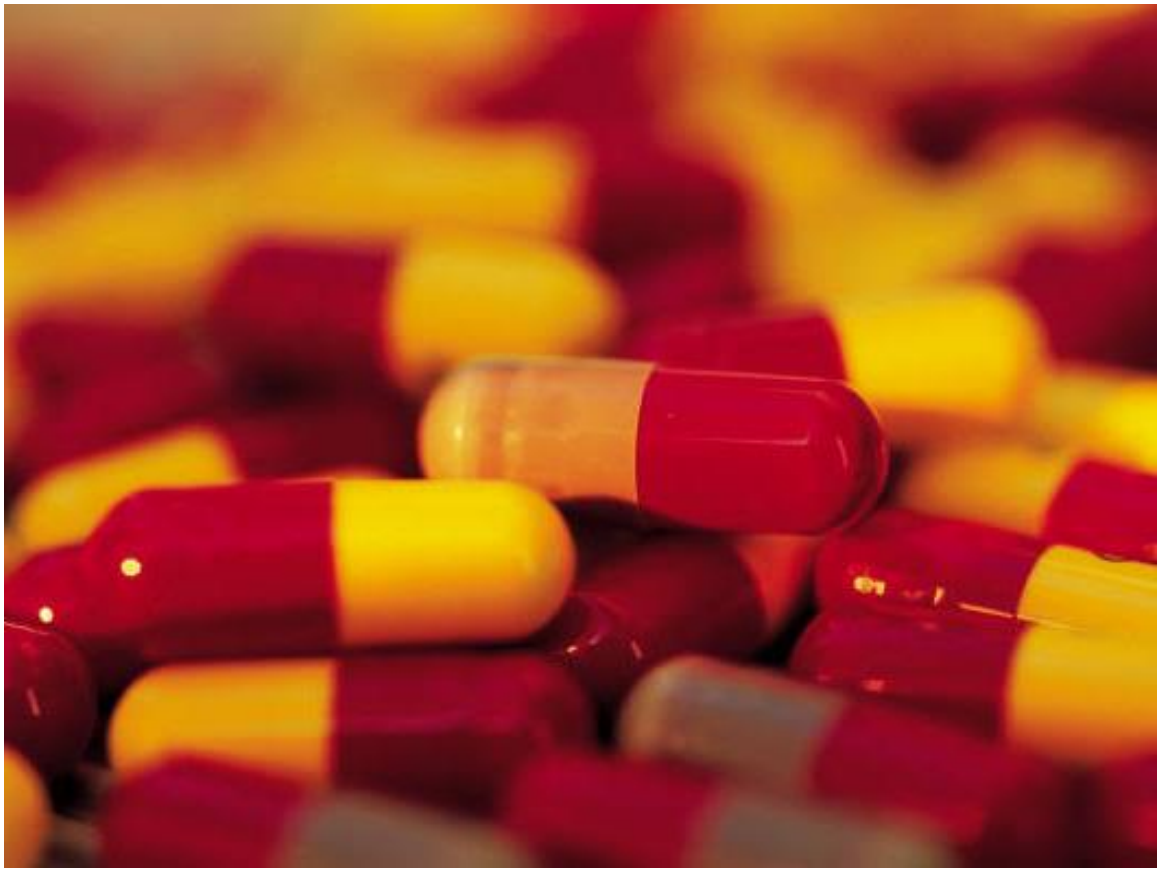
	1986		2006	
Indicator	Spain	U.S.	Spain	U.S.
Life expectancy, years (combined for men and women)	76.4	74.7	81.1	78.1
Infant mortality, deaths per 1,000 live births	9.2	10.4	3.8	6.7
Premature deaths (standardized rates) per 100,000 people				
Cancer	159.1	183.9	151.2	157.9
Cerebrovascular disease	103.5	53.1	43.3[a]	33.4[a]
Acute myocardial infarction	53.4	98.5	33.1[a]	37.9[a]
Respiratory system	63.7	62.3	58.6[a]	59.8[a]

- SOURCE Organization for Economic Cooperation and Development (OECD), Statistics Portal.
- ↵a 2005 data.

Primary Care: a Big Bang for the Buck

Primary care including outpatient substance abuse and mental health services will comprise less than 5% of total health care spending in 2017

ONE LAST THOUGHT…



If there was a drug that saved this many lives, helped us live longer AND saved us as much money as primary care does , we would not think twice in investing in it

Further Analysis Needed

- In-depth study of administrative costs and savings
- Implementation study
- Impact on system costs over time
- Economic study? Hmmm- for something that will increase net spending by $60 million? The same amount we increased hospital spending last year alone. I think not.