

Universal Primary Care

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- I. How UPC is good for Primary Care Clinicians
- II. How UPC is good for Vermonters

Primary Care definition

- The ACO Primary Care Payment Workgroup definition:
 - Family medicine
 - Internal medicine (no specialty except geriatrics)
 - Pediatrics (no specialty)
 - General practice
 - Nurse practitioner or physician assistant
- This was based on a definition of primary care services
 - Preventive care
 - Acute care
 - Chronic care
 - Coordination of care
 - Other

UPC: Benefits for primary care clinicians

- ❖ Reduced administrative burden
 - ✓ Prior authorization?
 - ✓ Copay elimination
 - ✓ Claims denial/resubmission
 - ✓ Standardized performance measures
- ❖ Stabilization of payment
 - ✓ Fixed PMPM for 80-85% services provided
 - ✓ Capitation risk adjusted
 - ✓ Not at risk for things primary care can't control
- ❖ Increase payment opportunity
 - ✓ Capitation adjusted to increase primary care allocation of total expenditures

Primary care capitation issues (enhanced payment)

- ❖ Medicaid claims in 13 states, including Vermont, confirmed total cost of care in Community Health Centers was 24% lower than non-CHC primary care sites
- ❖ Vermont FQHC Vs Non-FQHC spending 2014:

	PMPM	Per user per month	Share of Visits	Share of Spend
FQHC	34.71	39.28	36%	48%
Non-FQHC	21.67	24.52	64%	52%

Another way to look at the “capitation” issue for primary care

- 1) 2014 Vermont resident expenditure analysis- \$5.5 billion
- 2) Impact of a primary care spending change on this \$5.5 billion:

	Actual 2014 spend	Cost of a 10% increase	Cost of a 25% increase	Cost of Change
Commercial	\$75,660,131	\$7,566,013	18,915,033	\$18.9m
Medicaid	\$46,077,606	\$4,607,761	\$11,519,402	\$11.5m
Medicare	\$34,570,034	\$3,457,003	\$8,642,509	\$8.6m
Total	\$156,307,771	\$171,938,548	\$195,384,715	\$39m

UPC: Benefits for primary care clinicians

- ❖ Encourages patient engagement
 - Must choose a primary care practice
- ❖ Value based benefit design
 - Encourages patients to improve health,
 - Adhere to treatment plans,
 - Choose high value providers/services
- ❖ An alignment of payers
- ❖ Policies no longer seen as favoring large organizations

UPC: Benefits to Vermonters

- ❖ Access to basic health care services regardless of income or employment status
- ❖ A transition from health insurance being “my plan” to the understanding this is a “Vermont plan”
- ❖ Costs of additional insurance coverage would be reduced
- ❖ Out of pocket health costs would be reduced
- ❖ Less redundancy in wellness programs

UPC: Benefits to business

- Coordination of wellness programs with primary care
- Reduced premium and/or allocation to health savings accounts
- Healthier employees, reduced sick leave
- Over time reduced total cost of employer sponsored insurance

Finally...

- ❑ Improving the work and payment environment for primary care clinicians will draw more to Vermont
- ❑ The financing of universal primary care must consider the impact on spending and the potential for reduction in total cost of care
- ❑ *Primary care is different, lets start treating it that way!*