

Implementing High-Quality Primary Care

Rebuilding the Foundation of Health Care

PAYMENT REFORM

High-quality primary care that is team-based, relationship-oriented, and broadly accessible is critical to improving the health of the nation's population and reducing health disparities. Yet, primary care in the United States is fragile and weakening. The cause is two-fold: systemic underinvestment and a fragmented payment system that reimburses individual clinicians for providing specific services instead of teams for delivering whole-person care.

Due to its direct benefits to society, primary care deserves to be treated as a common good and should be promoted by responsible public policy and supported by the private sector. The report *Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care* outlines objectives to make high-quality primary care available for everyone in the United States.



PAYMENT

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

Any effort to implement high-quality primary care must begin with a commitment to **pay for primary care teams to care for people, not doctors to deliver services**. To improve payment for primary care to better meet people's needs, payment should be increased to reflect the outsized benefit primary care has on the health and well-being of society and flexible enough to allow practices to meet the specific needs of the population they serve.

RECOMMENDED ACTIONS

Change the Standard for Evaluating and Supporting Payment Models

Primary care payment models to date have largely been judged based on their ability to generate cost savings. Payment models that support integrated, interprofessional primary care teams working in sustained relationships with patients and families will ensure that high-quality primary care is possible to implement and sustain.

ACTION: Medicaid, Medicare, commercial insurers, and self-insured employers should **evaluate and disseminate payment models** based on the ability of those models to promote the delivery of high-quality primary care and not on their ability to achieve short-term cost savings.

Shift to a Hybrid Payment Model

At present, most primary care in the United States operates under a **fee-for-service (FFS)** model in which insurers pay a given fee for each service. Capitated payment models are less common but provide a fixed amount of money per patient paid in advance to the practice for the delivery of health care services.

ACTION: Medicaid, Medicare, commercial insurers, and self-insured employers should **shift primary care payment toward hybrid (part FFS, part capitated) models**, making them the default method for paying for primary care teams over time. For risk-bearing contracts with population-based health and cost accountabilities, such as those with accountable care organizations, payers should ensure that sufficient resources and incentives flow to primary care.

The hybrid reimbursement model (part FFS, part capitated) should:

- **Pay prospectively** for interprofessional, integrated, team-based care. This includes incentives for incorporating non-clinician team members and for partnerships with community-based organizations.
- Be **risk-adjusted** for medical and social complexity.
- Allow for **investment** in team development, practice transformation resources, and the infrastructure to design, use, and maintain necessary digital technology; and
- **Align with incentives** for measuring and improving outcomes for patient populations assigned to clinicians.

Increase Overall Primary Care Spending

Only a small and declining portion of health care spending is directed to primary care. Underinvestment has perpetuated a system that in most cases is unable to provide high-quality primary care by restricting the ability of interprofessional teams to address the whole-person health needs of individuals and families they serve.

ACTION: The Centers for Medicare & Medicaid Services should increase the overall portion of spending going to primary care by:

- Accelerating efforts to improve the accuracy of the Medicare physician fee schedule by **developing better data collection and valuation tools** to identify overpriced services; and
- **Restoring the Relative Value Scale Update Committee to an advisory nature** by developing and relying on additional experts and evidence.

Facilitate Primary Care Payment Reform at the State Level

States play an important role in implementing payment reform through policy and action.

ACTION: States should implement primary care payment reform by using their authority to **facilitate multi-payer collaboration** and by **measuring and increasing the overall portion of health care spending going to primary care**.

CONCLUSION

Most primary care delivered today is transactional in nature, with payment rendered for services provided. Payment reform that supports and encourages high-quality primary care is fundamental to improving the health of the nation. While primary care payment reform may not result in short-term cost savings, it is a long-term investment that can improve population health and create greater health equity.



What Is High-Quality Primary Care?

High-quality primary care is the provision of whole-person, integrated, accessible, and equitable health care by interprofessional teams who 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.

To download a free copy of the full report and other resources, please visit nationalacademies.org/primarycare.