ONPOINT Health Data

NESCSO
New England States Consortium Systems Organization

New England States All-Payer Primary Care Investment Report

December 11, 2020

Study Participants

This study was made possible through close collaboration across multiple organizations and state teams. Data was provided by leads and analysts from each of the six New England states – (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont) with reporting and analysis authored by the New England States Consortium Systems Organization (NESCSO), Onpoint Health Data, and consultants.

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Primary Care Collaborative - Consensus Recommendations

November 9, 2018

“Primary care investment should be tracked and reported through a standardized measure. Long-term, systemic change demands a system that ensures a standardized measurement at the health plan level across all payers to track and publicly report primary care investment. This data is essential to demonstrate that increases in investment lead to improved quality.”

Purpose of The New England States' All-Payer Report on Primary Care Payments

The purpose of the report is to use standardized data to identify the percentage of all-payer primary care spending relative to overall healthcare spending in each state, and to provide a framework to evaluate whether the state's investment in primary care reflects the importance and value of primary care in each state.

Report Background

- **There is no national standard on measurement of primary care expenditures, and no two studies have used the same methods.**
  - **Six New England states used APCD data to complete a study that includes 7.2 million Commercial, Medicare Advantage, Medicare Fee-for-Service, and Medicaid members**
  - **This is the first multi-state report using standard definitions of primary care providers and services**
  - **OB/GYN providers and services were included, but reported separately**
  - **A broader range of providers that are sometimes considered as primary care (e.g., naturopaths, behavioral health providers) were not included in this study.**
  - **Information on non-claims payments was collected directly from payers**

Table 1. Providers & Service Definitions Included in This Study

Definition	Description
Defined PCPs, Selected Services	• Selected claims payments for general practice, family medicine, pediatrics, internal medicine, nurse practitioner, physician assistant * • Excludes OB/GYN services • Definition #1 is narrower and service based
Defined PCPs, All Services	• All claims payments for general practice, family medicine, pediatrics, internal medicine, nurse practitioner, physician assistant * • Excludes OB/GYN services • Definition #2 is a broader measure that does not restrict on service codes
OB/GYNs, Selected OB/GYN Services	• All OB/GYN services payments for OB/GYN practitioners • Excludes all services provided by PCPs • Payments reported in Definition #3 can be added to definitions #1 or #2 as desired
Defined PCPs, Selected OB/GYN Services	• Selected OB/GYN services payments for general practice, family medicine, pediatrics, internal medicine, nurse practitioner, physician assistant * • Excludes all primary-care services and services provided by OB/GYNs • Payments reported in Definition #4 can be added to definitions #1 or #2 as desired

*Primary care also included taxonomy codes for Federally Qualified Health Centers, Rural Health Centers, clinics, Critical Access Hospitals, and rural hospitals. For these taxonomy codes, restrictions were always applied using revenue and procedure codes.

Collection of Non-Claims Expenditures

NESCSO/ONPOINT developed a template to collect non-claims payments, including payments for:

- **Capitated services**
- **Risk-based reconciliation**
- **Patient-Centered Primary Care Homes / Medical Homes (PCPCHs/PCMHs)**
- **Provider incentives**
- **Health Information Technology (HIT) structural changes**
- **Workforce investments and expenditures**

NESCSO Study Strengths

- All of the states had existing APCD data or had access to other state data sources (e.g., Medicaid, Medicare) to generate most of the required data.
- The project demonstrated the use of a distributed model, which facilitated quicker turnaround, allowed states to develop their own code for future iterations or additional analyses, and allowed states to use local knowledge of payer data to adjust specifications when needed.
- Standardized specifications and summary report formats were provided to and returned by all six states.
- While individual states had input into specifications, a single independent entity, NESCSO, determined the final specification and methods to ensure consistency.
- A robust quality-control process ensured that states generated submitter-/payer-specific data and then made corrections based on review of their data with NESCSO and Onpoint.

NESCSO Study Challenges

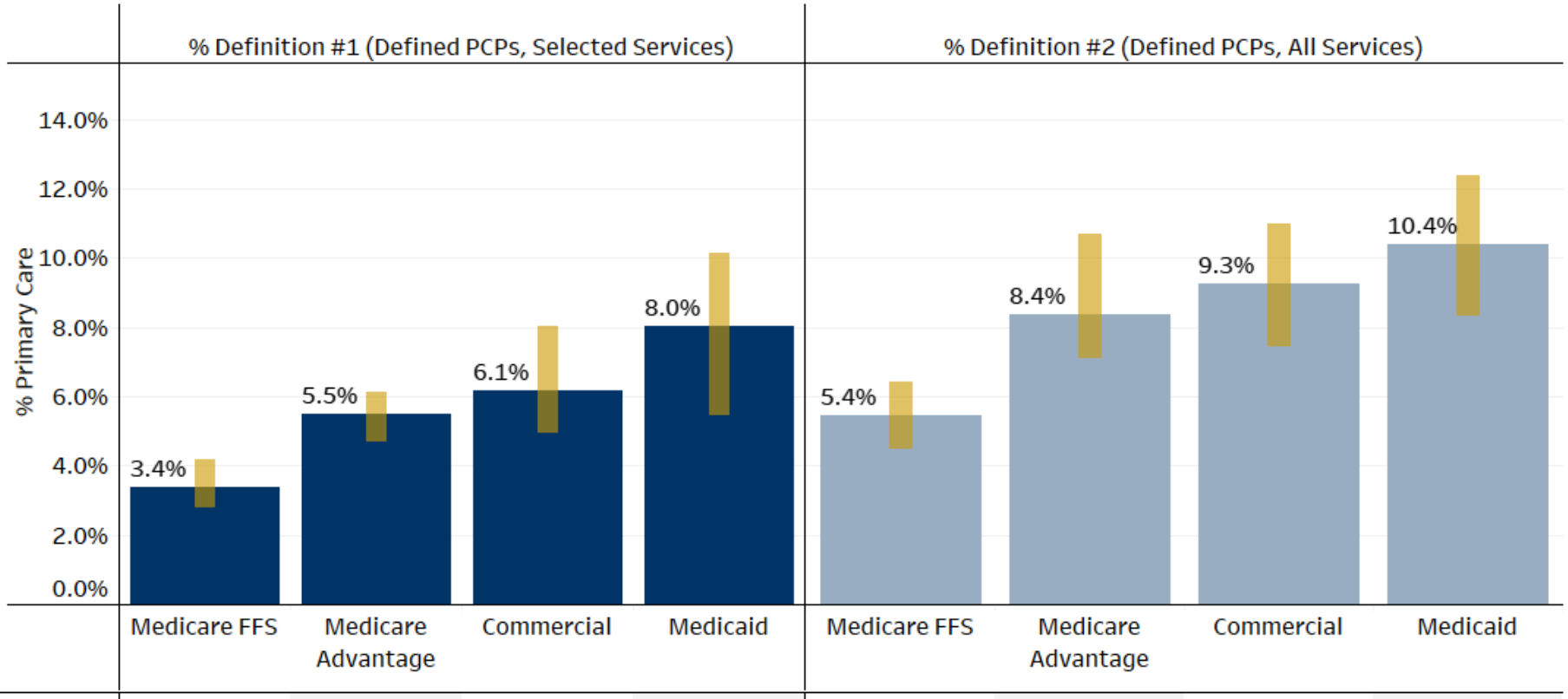
- Not all states had complete data for Medicaid and Medicare payers.
- States and payers also varied in the services covered by benefits or reimbursement rates – a factor that was not evaluated in this study.
- Due to variation in the payer types available in NESCSO state APCDs, data supplied for summary reporting varied across NESCSO states, with the most consistent and comparable data available for the Commercial and Medicare Advantage populations.
- Aggregation of payer data to a combined all-payer measure for each NESCSO state therefore could bias any state-specific comparisons or comparisons to other published studies and reports.

Study Results
Claims Payments

Figure 1: Primary Care Percentage of Total Medical Expenditures by Payer Type, 2018 *

***Massachusetts data for 2018 were not available. Commercial results for Massachusetts were for 2017, and Medicaid results were for 2016. Massachusetts did not report Medicare FFS or Medicare Advantage data. Connecticut's Medicaid APCD data was not sufficiently complete for inclusion in the analysis.**

- 5.5% of total payments went to primary care using Definition #1
- 8.2% of total payments went to primary care using the broader Definition #2

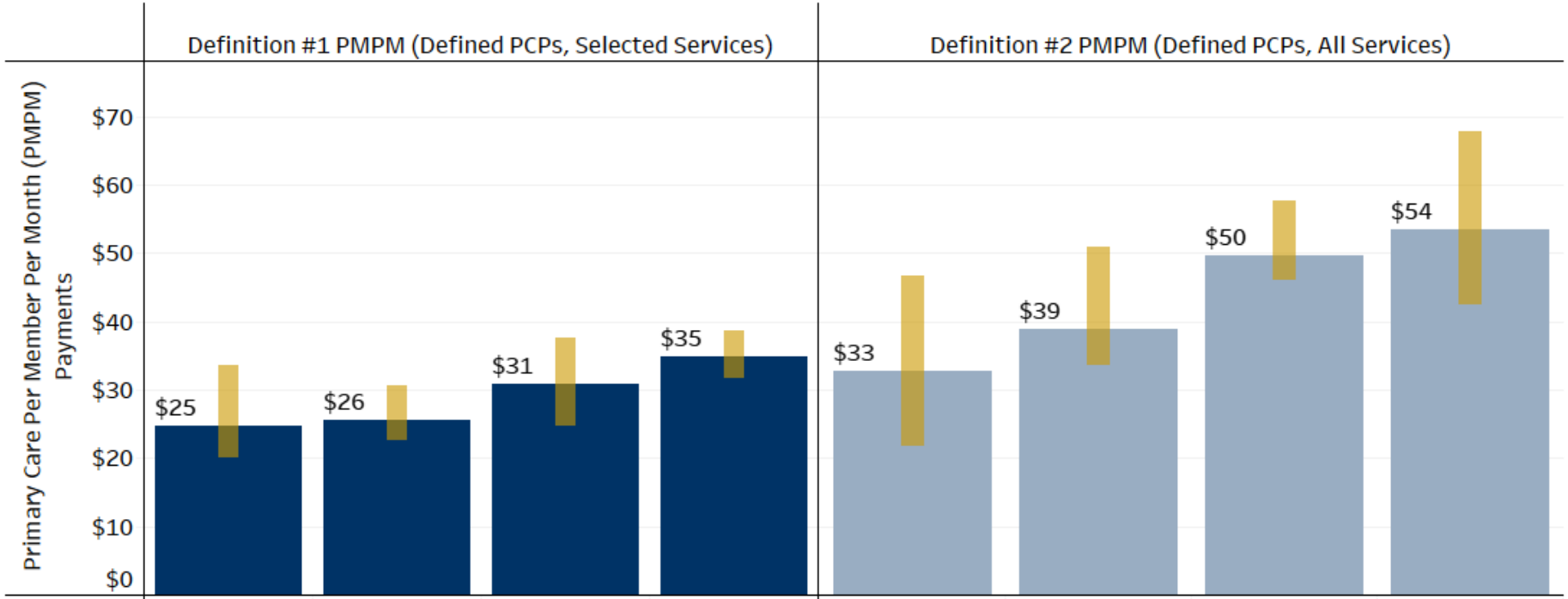


All-State Average	3.4%	5.5%	6.1%	8.0%	5.4%	8.4%	9.3%	10.4%
Lowest Value	2.8%	4.7%	4.9%	5.4%	4.5%	7.1%	7.4%	8.3%
Highest Value	4.2%	6.1%	8.0%	10.1%	6.4%	10.7%	11.0%	12.4%

Figure 2: Primary Care PMPM Payments by Payer Type, 2018 *

***Massachusetts data for 2018 were not available. Commercial results for Massachusetts were for 2017, and Medicaid results were for 2016. Massachusetts did not report Medicare FFS or Medicare Advantage data. Connecticut's Medicaid APCD data was not sufficiently complete for inclusion in the analysis.**

Medicare FFS and Medicare Advantage PMPM are higher than Commercial and Medicaid



All-State Average	$25	$26	$31	$35	$33	$39	$50	$54
Lowest Value	$20	$23	$25	$32	$22	$34	$46	$42
Highest Value	$34	$31	$38	$39	$47	$51	$58	$68

Table 4: Average (Mean) of State Rates for Primary Care Payments, 2018 *

*Massachusetts data: Commercial (2017), Medicaid (2016), Medicare (N/A); Connecticut's Medicaid APCD data was not sufficiently complete for inclusion in the analysis.

Payer Type	% Definition #1 (Defined PCPs, Selected Services)	% Definition #2 (Defined PCPs, All Services)	% Definition #3 (Defined OB/GYNs, Selected OB/GYN Services)	% Definition #4 (Defined PCPs, Selected OB/GYN Services)	Definition #1 (Defined PCPs, Selected Services) PMPM	Definition #2 (Defined PCPs, All Services) PMPM
Commercial	6.1% (4.9% – 8.0%)	9.3% (7.4% – 11.0%)	0.59% (0.41% – 0.82%)	0.06% (0.03% – 0.09%)	$25.53 ($22.56 – $30.56)	$38.91 ($33.53 – $50.87)
Medicare Advantage	5.5% (4.7% – 6.1%)	8.4% (7.1% – 10.7%)	0.01% (0.00% – 0.02%)	0.00% (0.00% – 0.01%)	$34.75 ($31.69 – $38.74)	$53.52 ($42.37 – $67.87)
Medicare FFS	3.4% (2.8% – 4.2%)	5.4% (4.5% – 6.4%)	0.02% (0.01% – 0.02%)	0.00% (0.00% – 0.01%)	$30.87 ($24.64 – $37.61)	$49.63 ($45.97 – $57.64)
Medicaid	8.0% (5.4% – 10.1%)	10.4% (8.3% – 12.4%)	0.71% (0.31% – 1.14%)	0.10% (0.03% – 0.18%)	$24.67 ($20.16 – $33.57)	$32.75 ($21.67 – $46.58)

Figure 3: Primary Care Percentage of Total Medical Payments by State, 2018 – Commercial *

***Massachusetts data: Commercial (2017)**

Average total Commercial Payments for all states is 6.1% for Definition #1 and 9.3% for Definition 2.

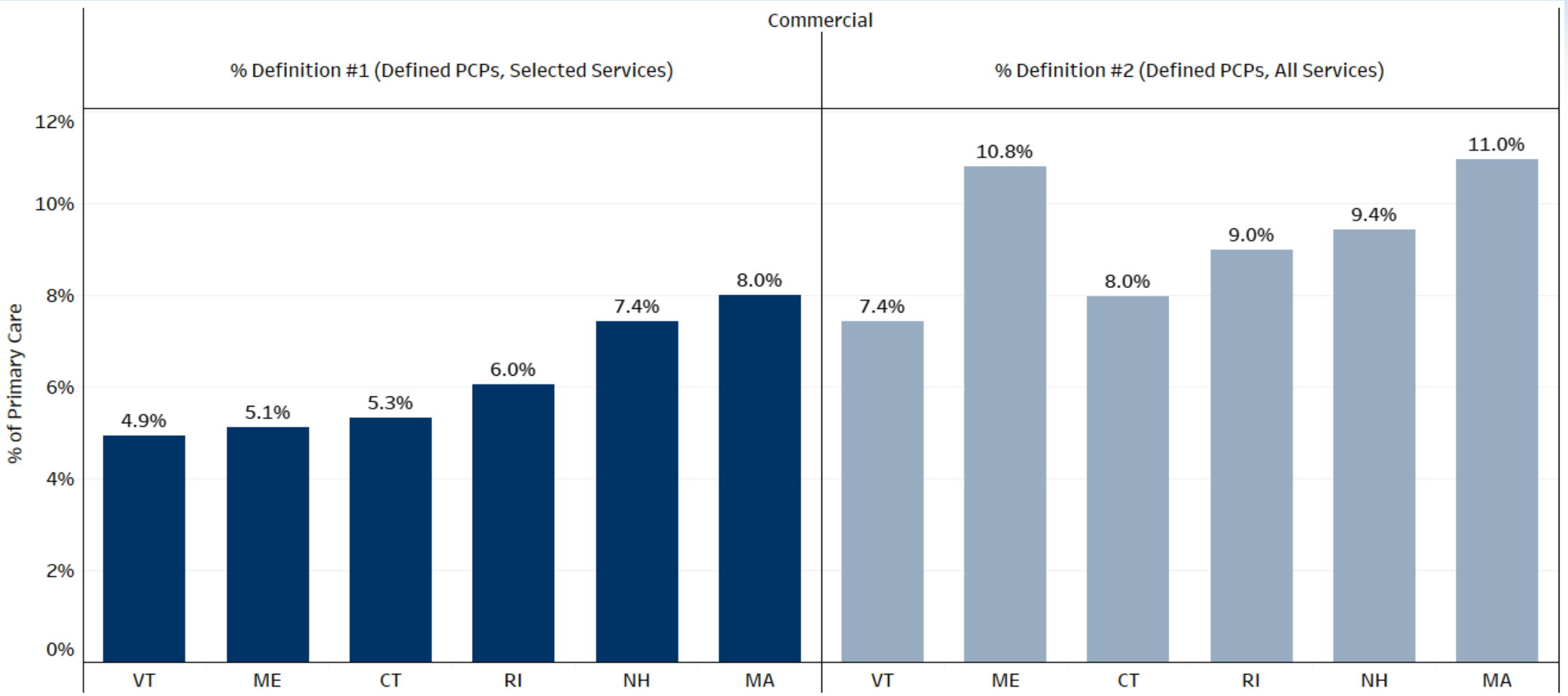


Figure 4: Primary Care Percentage of Total Medical Payments by State, 2018 – Medicare Advantage *

***Massachusetts did not report Medicare data**

Average total Medicare Advantage Payments for all states is 5.5% for Definition #1 and 8.4% for Definition 2.

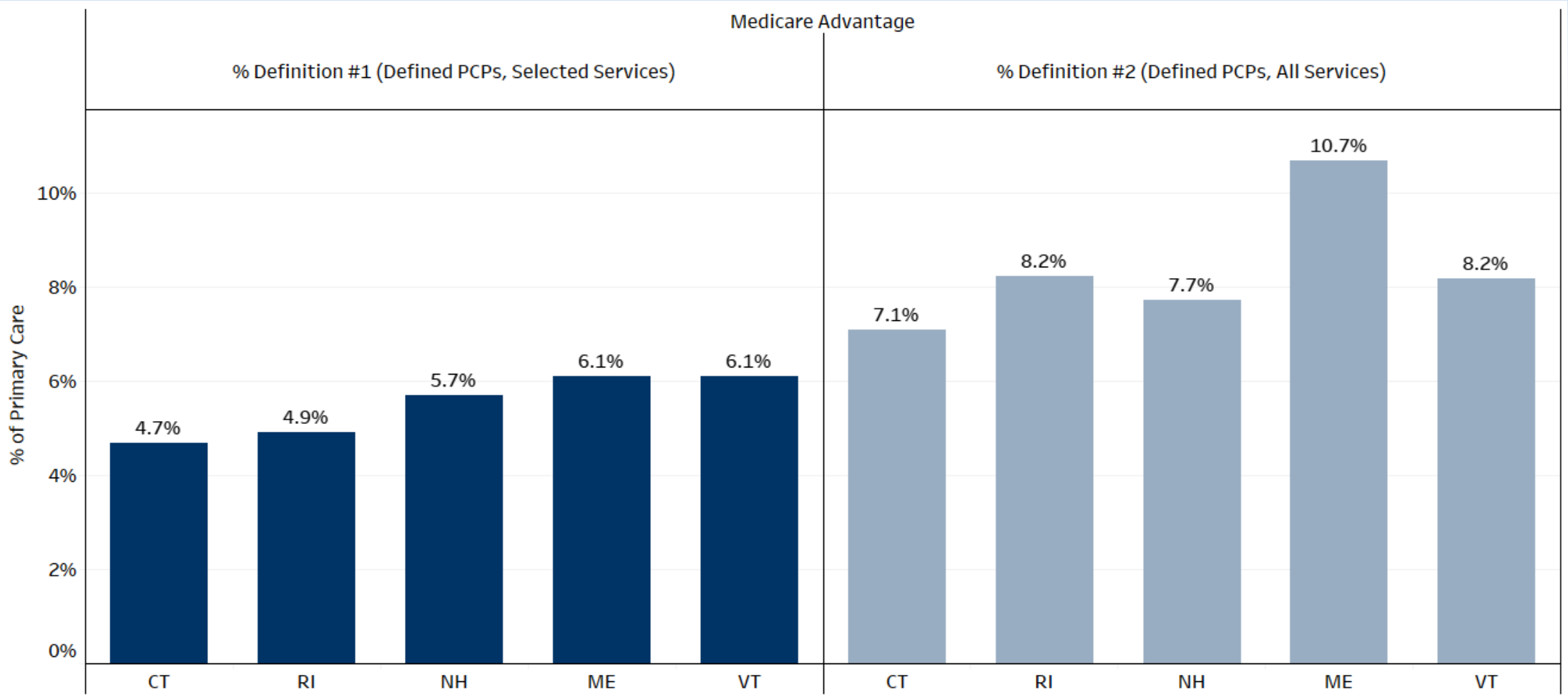


Figure 5: Figure 5. Primary Care Percentage of Total Medical Payments by State, 2018 – Medicare FFS *

***Massachusetts did not report Medicare data**

Average total Medicare FFS Payments for all states is 3.4% for Definition #1 and 5.4% for Definition 2.

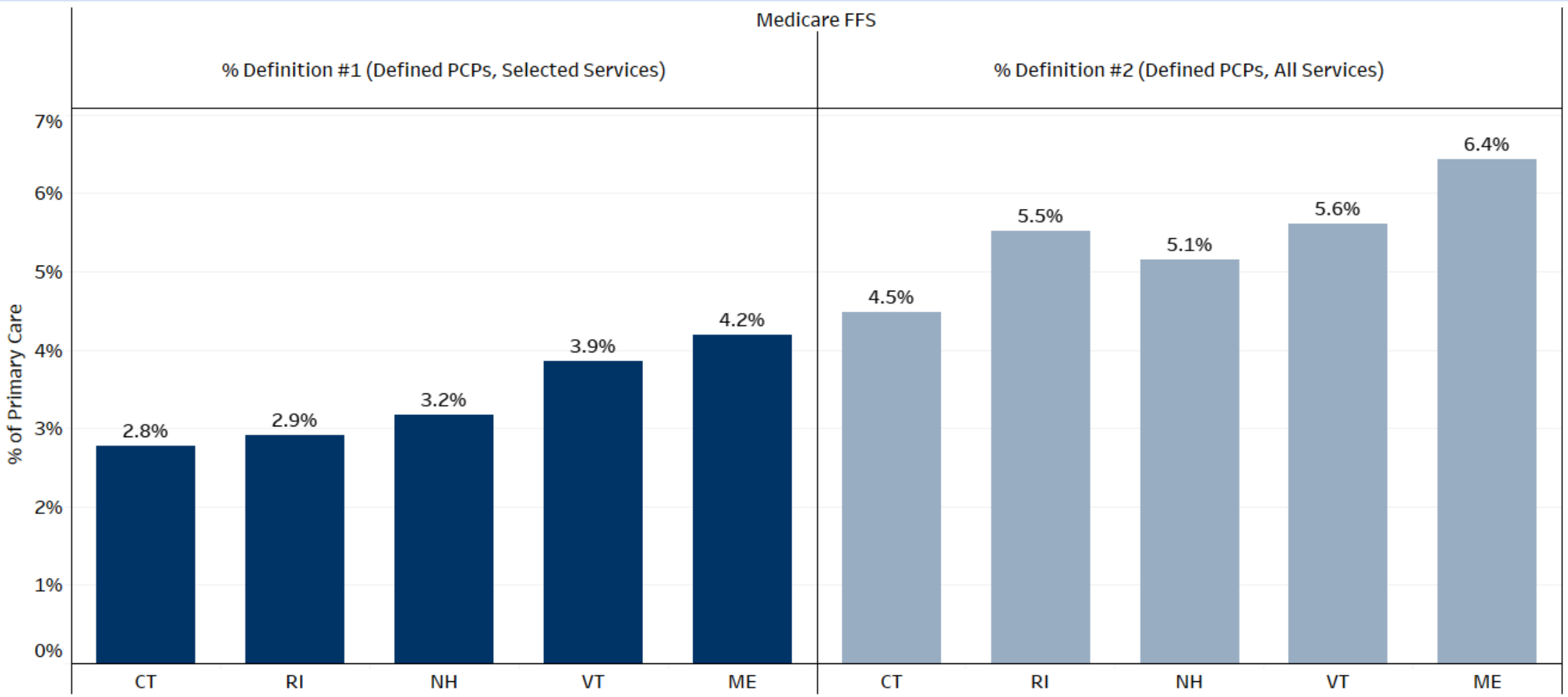


Figure 6: Primary Care Percentage of Total Medical Payments by State, 2018–Medicaid *

*Massachusetts data: Medicaid (2016); Connecticut's Medicaid APCD data was not sufficiently complete for inclusion in the analysis.

Average total Medicaid Payments for all states is 8.0% for Definition #1 and 10.4% for Definition 2.

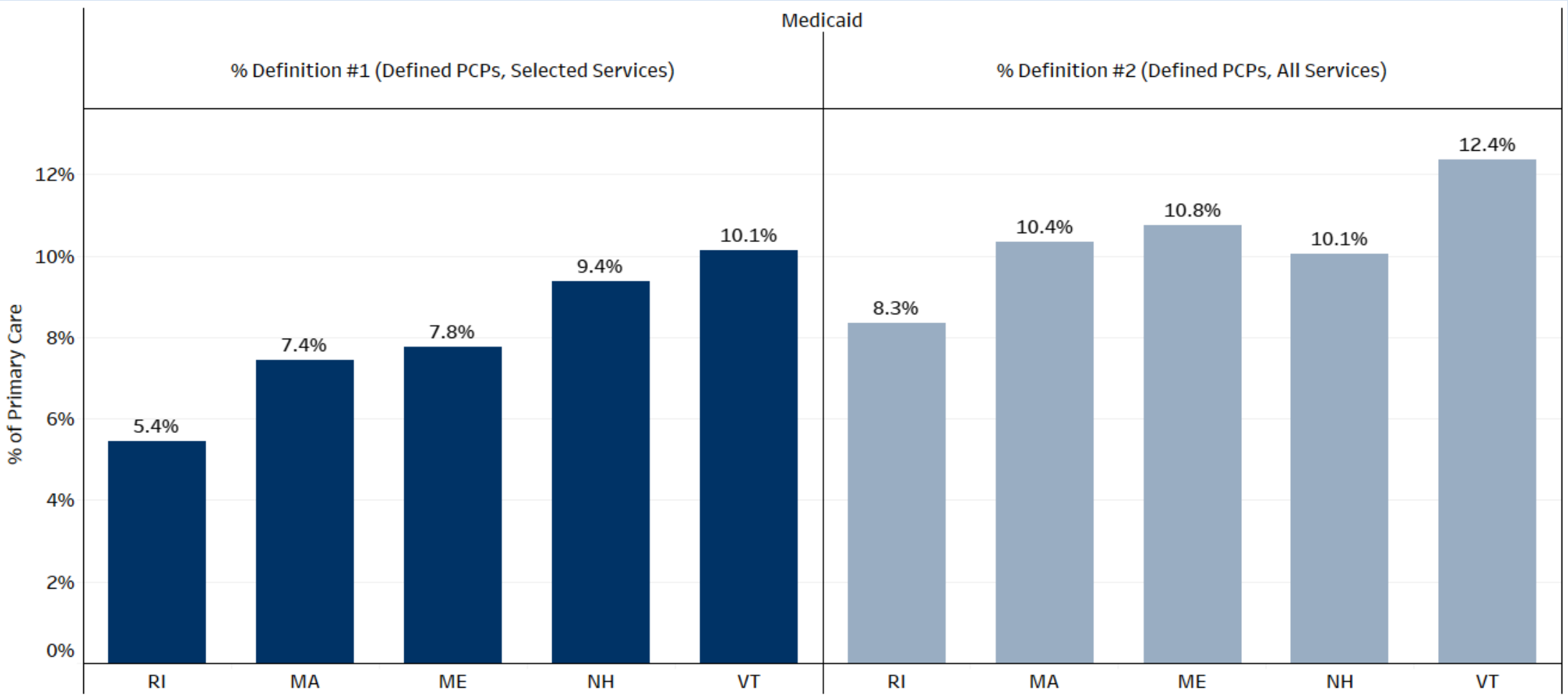


Figure 7(a): Association between Primary Care Percentage of Total Medical Payments & Primary Care Payments PMPM, Averaged Across States, 2018 – Definition #1 (Defined PCPs, Selected Services) *

*Massachusetts data: Commercial (2017), Medicaid (2016), Medicare (N/A); Connecticut's Medicaid APCD data was not sufficiently complete for inclusion in the analysis.

Definition #1 Defined PCPs Selected Services		Commercial	Medicaid	Medicare Advantage	Medicare FFS
%	All-State Average	6.1%	8.0%	5.5%	3.4%
Primary	Lowest Value	4.9%	5.4%	4.7%	2.8%
Care	Highest Value	8.0%	10.1%	6.3%	4.2%
PMPM	All-State Average	$26	$25	$35	$31
Primary	Lowest Value	$23	$20	$32	$25
Care	Highest Value	$31	$34	$39	$38

Figure 8(a): Association between Primary Care Percentage of Total Medical Payments & Primary Care Payments PMPM, Averaged Across States, 2018 – Definition #2 (Defined PCPs, Selected Services) *

*Massachusetts data: Commercial (2017), Medicaid (2016), Medicare (N/A); Connecticut's Medicaid APCD data was not sufficiently complete for inclusion in the analysis.

Definition #2 Defined PCPs All Services		Commercial	Medicaid	Medicare Advantage	Medicare FFS
%	All-State Average	9.3%	10.4%	8.4%	5.4%
Primary	Lowest Value	7.4%	8.3%	7.1%	4.5%
Care	Highest Value	11.0%	12.4%	10.7%	6.4%
PMPM	All-State Average	$39	$33	$54	$50
	Lowest Value	$34	$22	$42	$46
	Highest Value	$51	$47	$68	$58

Figure 9: All-Payer Primary Care Percentage Payments by Age Group (Years), 2018 – Definition #1 (Defined PCPs, Selected Services) *

***Massachusetts data: Commercial (2017), Medicaid (2016), Medicare (N/A); Connecticut's Medicaid APCD data was not sufficiently complete for inclusion in the analysis.**

For Definition # 1, the primary care percentage of total medical payments was highest for children, and was lower with increasing age.

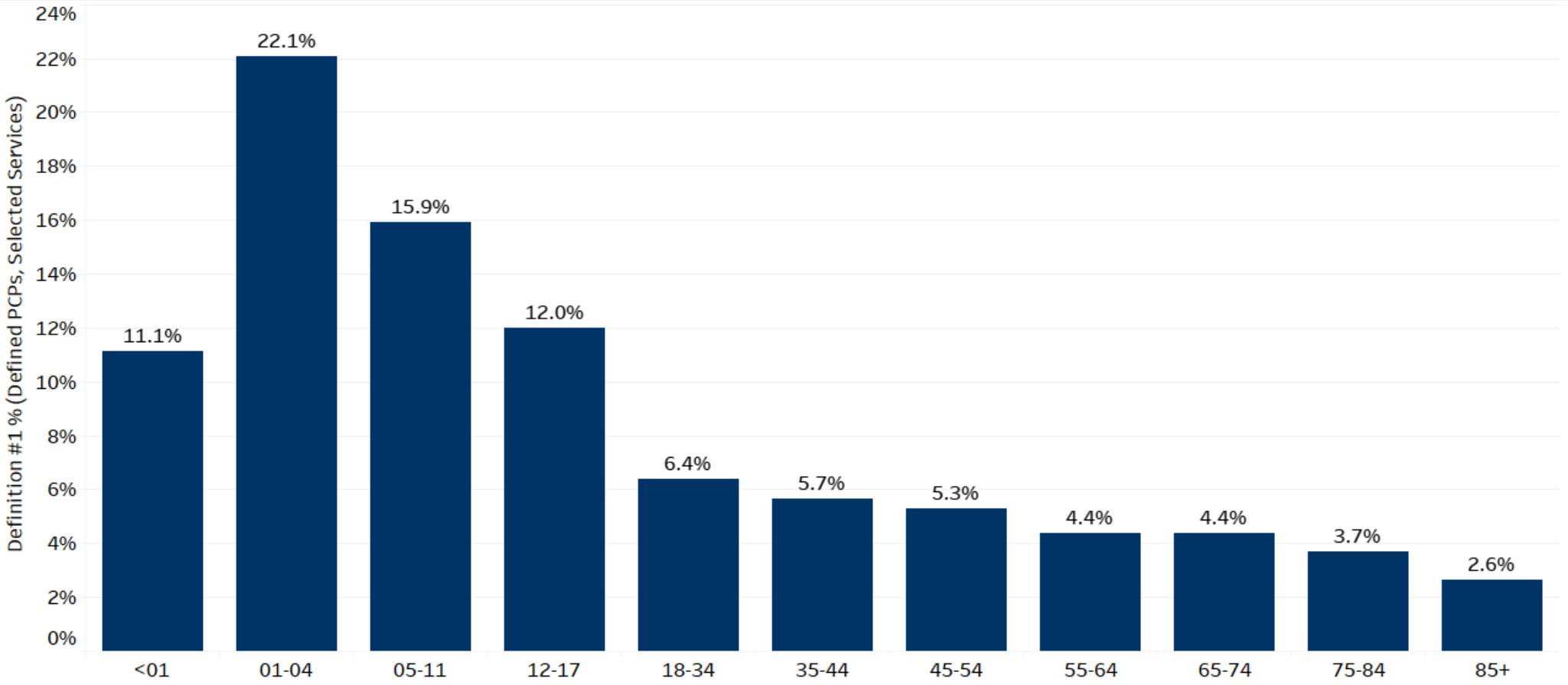


Figure 10: All-Payer Primary Care PMPM Payments by Age Group (Years), 2018 – Definition #1 (Defined PCPs, Selected Services) *

***Massachusetts data: Commercial (2017), Medicaid (2016), Medicare (N/A); Connecticut's Medicaid APCD data was not sufficiently complete for inclusion in the analysis.**

In contrast to the rates based on percentage of total medical payments, the actual PMPM expenditure rates for Definition #1 have a U-shaped distribution – higher for children, lower for young adults, and higher for older adults.

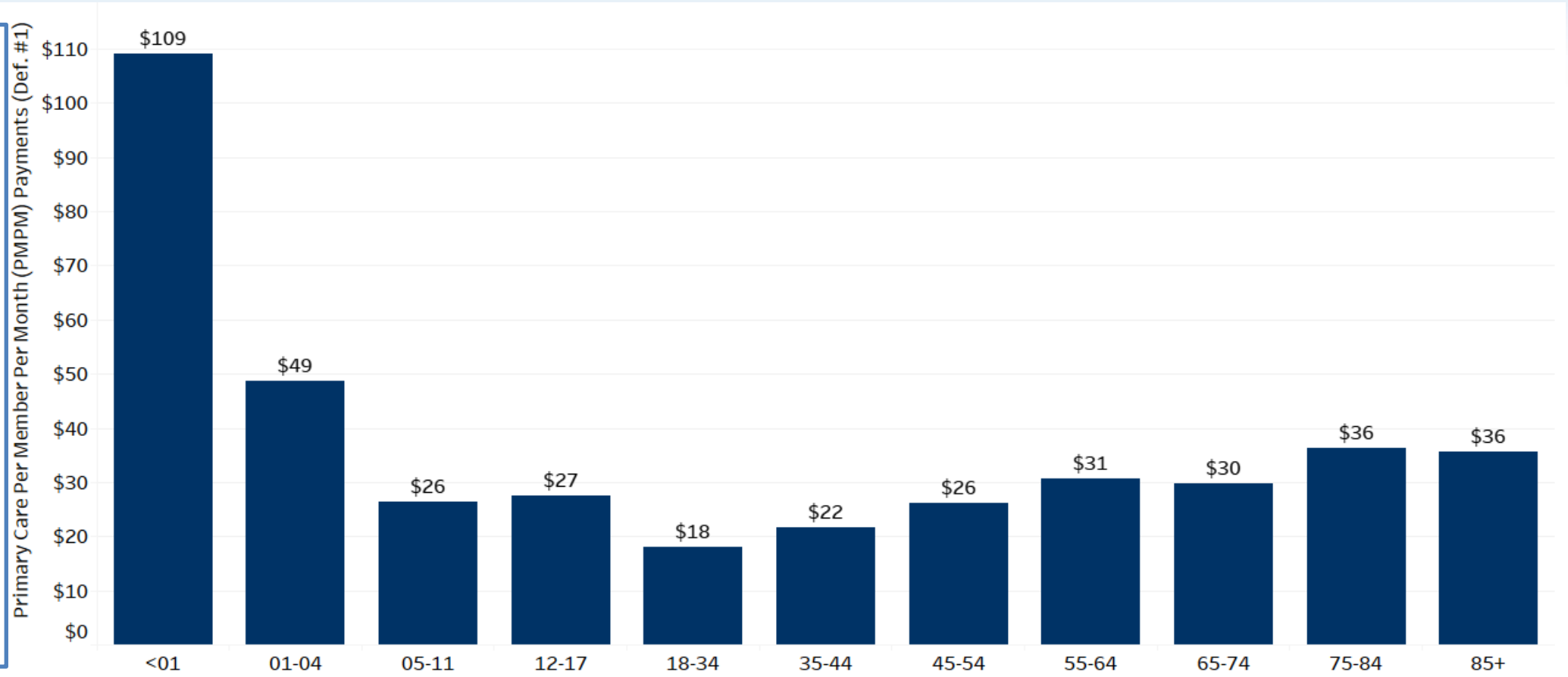


Table 6: All-Payer Primary Care Expenditure Percent of Total Medical Payments & PMPM Rates by Payer Type, 2018 – Definition #1 (Defined PCPs, Selected Services) *

Age Group (Years)	Definition #1 (Defined PCPs, Selected Services) % Payments				Definition #1 (Defined PCPs, Selected Services) PMPM			
	Commercial	Medicaid	Medicare Advantage	Medicare FFS	Commercial	Medicaid	Medicare Advantage	Medicare FFS
0	11.6%	10.3%	--	--	$129.20	$82.79	--	--
01–04	24.4%	18.6%	--	--	$62.67	$33.77	--	--
05–11	18.9%	12.2%	--	--	$31.39	$20.32	--	--
12–17	13.0%	9.9%	--	--	$31.25	$20.78	--	--
18–34	6.6%	6.0%	5.0%	4.0%	$17.76	$18.02	$25.59	$24.59
35–44	5.8%	6.0%	4.6%	4.1%	$20.76	$22.56	$33.83	$31.05
45–54	5.5%	5.5%	4.7%	3.7%	$25.04	$28.13	$38.68	$35.42
55–64	4.5%	4.8%	4.5%	3.3%	$29.93	$31.12	$34.65	$35.38
65–74	4.2%	--	5.9%	3.8%	$33.70	--	$33.65	$26.61
75–84	3.8%	--	4.8%	3.2%	$32.84	--	$39.69	$35.10
85+	3.1%	--	3.8%	2.3%	$29.24	--	$38.22	$34.99

Table 8: All-Payer Primary Care Payments by Service Type, 2018 – Definition #1 (Defined PCPs, Selected Services)

Massachusetts data: Commercial (2017), Medicaid (2016), Medicare (N/A); Connecticut's Medicaid APCD data was not sufficiently complete for inclusion in the analysis.

Service Type Category *	Definition #1 (Defined PCPs, Selected Services) Payments (Millions of Dollars)	Definition #1 (Defined PCPs, Selected Services) Percent of Total Payments
Office Visits (CPT Codes)	$1,212.1	60.8%
Preventive Medicine Visits (CPT Codes)	$408.3	20.5%
Preventive and Other Visits (HCPCS Codes)	$222.9	11.2%
Immunization Administration for Vaccines/Toxoids	$91.9	4.6%
Consultation Services	$12.9	0.6%
Transitional Care Management Services	$12.9	0.6%
Home Visits	$9.5	0.5%
Preventive Medicine Services	$6.0	0.3%
Health Risk Assessment, Screenings, and Counseling	$5.9	0.3%
Hospice / Home Health Services	$4.4	0.2%
Chronic Care Management Services	$3.8	0.2%
Advance Care Planning Evaluation & Management Services	$2.7	0.1%

* The service type categories of Prolonged Services, Telephone and Internet Services, Health Risk Assessment Screenings and Counseling, Case Management Services, and Domiciliary / Rest Home Multidisciplinary Care Planning accounted for 0.0% of percent of total payments and are not shown above.

Non-Claims Payments

Table 10: Non-Claims Payment Categories & Definitions Included in Collection Template (1)

Non-Claims Payment Categories	Definition & Examples
1. Capitated or Salaried Payments	Capitation and/or salaried arrangements with primary care providers or other providers not billed or captured through claims.
2. Risk-Based Reconciliation	Risk-based payments to primary care providers or practices that are not billed or otherwise captured though claims.
3. Patient-Centered Primary Care Homes (PCPCHs) / Medical Homes (PCMHs)	Practice-level payments such as payments to Patient-Centered Primary Care Homes (PCMH), Health Homes for provision of comprehensive primary care services; payments based upon PCMH recognition; or payments for participation in proprietary or other multi-payer medical -home or specialty care practice initiatives.

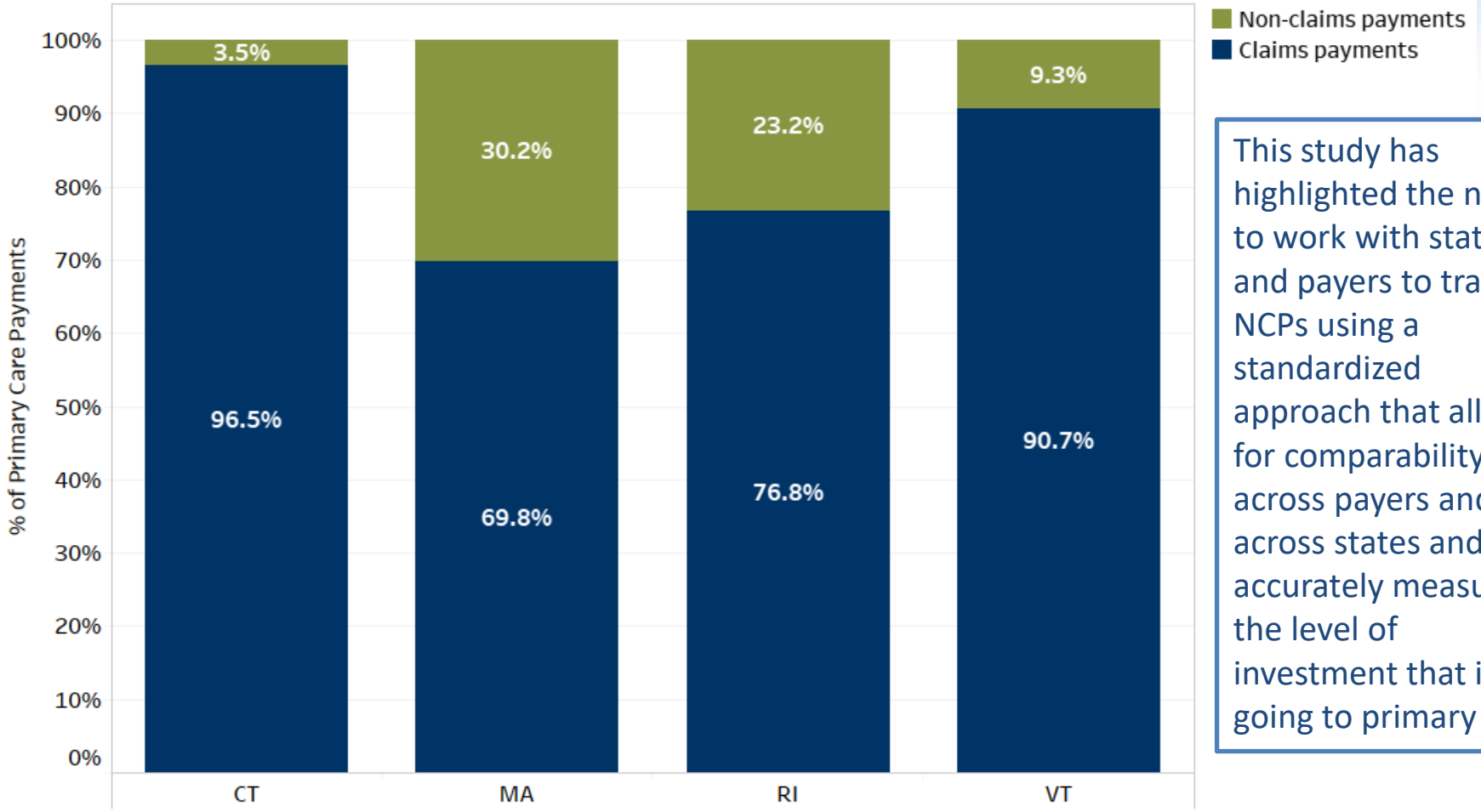
Table 10: Non-Claims Payment Categories & Definitions Included in Collection Template (2)

Non-Claims Payment Categories	Definition & Examples
4. Provider Incentives	Bonus payments to a provider for meeting predetermined baseline or target of medical service use, such as a specified vaccination rule.
a. Retrospective Performance-Based Payments	Retrospective incentive payments to primary care providers or practices based on performance
b. Prospective Performance-Based Payments	Prospective incentive payments to primary care providers or practices aimed at developing capacity for improving
5. Health Information Technology (HIT) Structural Changers	Payments for Health Information technology structural changes at a primary care practice
6. Workforce Payments	Payments or expenses for supplemental staff or supplemental activities integrated into the primary care practice (i.e., practice coaches, patient educators, patient navigators, nurse care managers, etc.)

Figure 12: Distribution of Commercial Primary Care Expenditures Between Claims & Non-Claims Payments by State, 2018 *

***Massachusetts data: Commercial (2017)**

Only four of the six New England states – Connecticut, Massachusetts, Rhode Island, and Vermont – were able to collect and report non-claims payment information from Commercial payers.



This study has highlighted the need to work with states and payers to track NCPs using a standardized approach that allows for comparability across payers and across states and to accurately measure the level of investment that is going to primary care

Identifying Primary Care Payments from Non-Claims Sources

- Payers not able to report non-claims payments using defined categories
- Reliability of the data was questionable
  - Not clear what percent of payments was used to support primary care practices
    - » state analysts provided estimates but more accurate reporting is needed to better understand how these payments are being directed and what impact they may be having on the quality and cost of healthcare services
    - » NCPs that were not clearly directed to primary care and instead may have been paid to hospitals or other healthcare systems have been classified as “unknown”
    - » estimates, of the total Commercial non-claims payments that directly benefitted primary care practices ranged from 57% in Vermont to 85% in Rhode Island

Table 12: Commercial Payments & Percent Primary Care from Claims & Non-Claims Sources, 2018 * †

*Massachusetts data: Commercial (2017); Unknown non-claims payments ranged from 15% to 43% in the states.
†Claims payments excluded FFS equivalency to avoid duplication between claims and non-claims data sources. The percent of primary care payments from claims will not match Definition #2 (Defined PCPs, All Services) reported in the claims section of this report.

Payment Type	CT	MA	RI	VT
Primary Care Claims Payments	$367,922,210	$637,209,440	$117,396,901	$74,258,181
Primary Care Non-Claims Payments	$13,247,026	$323,123,617	$35,485,443	$7,627,769
Unknown Non-Claims Payments	$3,200,989	$93,951,807	$6,320,554	$5,847,126
Total Non-Claims Payments	$16,448,016	$417,075,423	$41,805,997	$13,474,895
Total Medical Claim Payments	$4,613,691,147	$5,834,369,344	$1,298,430,746	$1,068,116,872
% Primary Care Payments from Claims	8.0%	10.9%	9.0%	7.0%
% Primary Care Payments from Both Claims and Non-Claims	8.2%	15.4%	11.4%	7.6%
% Difference	0.2%	4.5%	2.4%	0.6%

Non-Claims Payments Summary

- **Non-claims payments are:**
  - Usually not reported to the states' all-payer claims databases (APCDs)
  - Anticipated to increase over time
  - Intended to incentivize primary care practices to restructure daily operations in a way that:
    - » supports improved quality
    - » reduces unnecessary utilization
    - » increases focus on population health.
- **States may need to consider adoption of new regulations, statutes, or rules to:**
  - standardize the way in which non-claims payments are reported,
  - identify to whom the payments were directed
  - establish necessary measures required to evaluate improved outcomes and return on investment

Issues, Recommendations and Conclusions

Issues to Consider

- Inclusion of Out-of-State Providers
- Care Delivered in a Primary Care Setting (No Field or Code in APCD)
- Defining Primary Care Providers & Services
- Defining the Populations Studied (Link to Eligibility)
- Retail Pharmacy (Include or Not)
  - calculate impact of rebates
- Plan Paid or Allowed Amount
- Dental & Vision Services
- Further Understanding Medicaid Payments (Non-Medical Services)

Recommendations (1)

- **Policy issues for states to consider:**
  - **Ensure that all-payers report claims payments to the APCD in a standardized format, including Medicaid and Medicare (to the extent possible)**
  - **Consider adopting rules, regulations, statutes to require payers to adopt more detailed and standardized methods in reporting non-claims payments**
  - **Standardize a more consistent approach to reporting on Medicaid services and payments**
  - **Standardize an approach that incorporates the percentage of both total cost of care and per member per month (PMPM) payments going to primary care**
    - **link eligibility to medical claims**

Recommendations (2)

- Technical issues recommended for health policy researchers
  - Develop more relevant measures to evaluate the association between primary care payments and performance outcomes.
  - Develop a plan to track and collect payment information in regard to “remote care management.”
  - Consider approaches to incorporating pharmacy payments in total healthcare expenditures.
    - understand the impact of rebates
    - link eligibility to pharmacy claims
  - Measure the impacts of COVID-19 on primary care payments, total healthcare expenditures, and other outcome measures.
  - Plan to evaluate the broader Definition #2 (Defined PCPs, All Services) of primary care used in the current study.

Conclusions

This study benefitted from the existence of APCDs in all six states and from prior reports on this topic

A distributed model was successfully utilized in all six states to report summary results.

This study's results suggest that investment in primary care was relatively low (5.5%/8.2%) compared to total healthcare expenditures and varied significantly by payer, geography, age group, and other factors.

The study highlighted opportunities to improve study methods and to establish more consistently comparable results across payers and settings

Collectively, the experience from this study provides a basis for NESCSO states, and others, to work together to improve study methods in the future

Questions/Comments