Primary Care and Health Care Reform

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AAFP Annual Scientific Assembly

September 30, 2010

AMERICAN ACADEMY OF FAMILY PHYSICIANS

STRONG MEDICINE FOR AMERICA

Primary Care and Health Care Reform

We'll cover –

- Background: Primary Care & Health System Reform
- Payment Issues
- Health Delivery System Reforms
- Coverage Changes – Preventive Health
- Cost Containment Provisions
- Workforce Development

*Primary Care…and Why it matters for US Health System Reform**

*Health Affairs, 29, no. 5 (2010): 806-810 ,
Commissioned by the Josiah Macy Jr. Foundation

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Defining Primary Care: An Abbreviated & Recent History

- 1920s: Dawson Report, U.K.
- 1960s: Millis, Willard Reports – US
- 1970s: Lalonde Report, Canada

1978: Declaration of Alma Ata

"Primary care is essential health care based on practical, scientifically sound and socially acceptable methods and technology made *universally accessible* to individual and families in the community through their *full participation* and at a cost that the *community and country can afford*…

It forms an integral part of both the country's health system, of which it is ***the central function*** and main focus, and overall *social economic development* of the community

Institute of Medicine, 1996

Primary care is the provision of *integrated, accessible* health care services by *clinicians who are accountable* for *addressing a large majority of personal health care needs*, developing a *sustained partnership with patients*, and practicing in the *context of family and community*.

Primary care is the "logical foundation of an effective health care system," and, "essential to achieving the objectives that together constitute value in health care."

How does Health in the US compare?

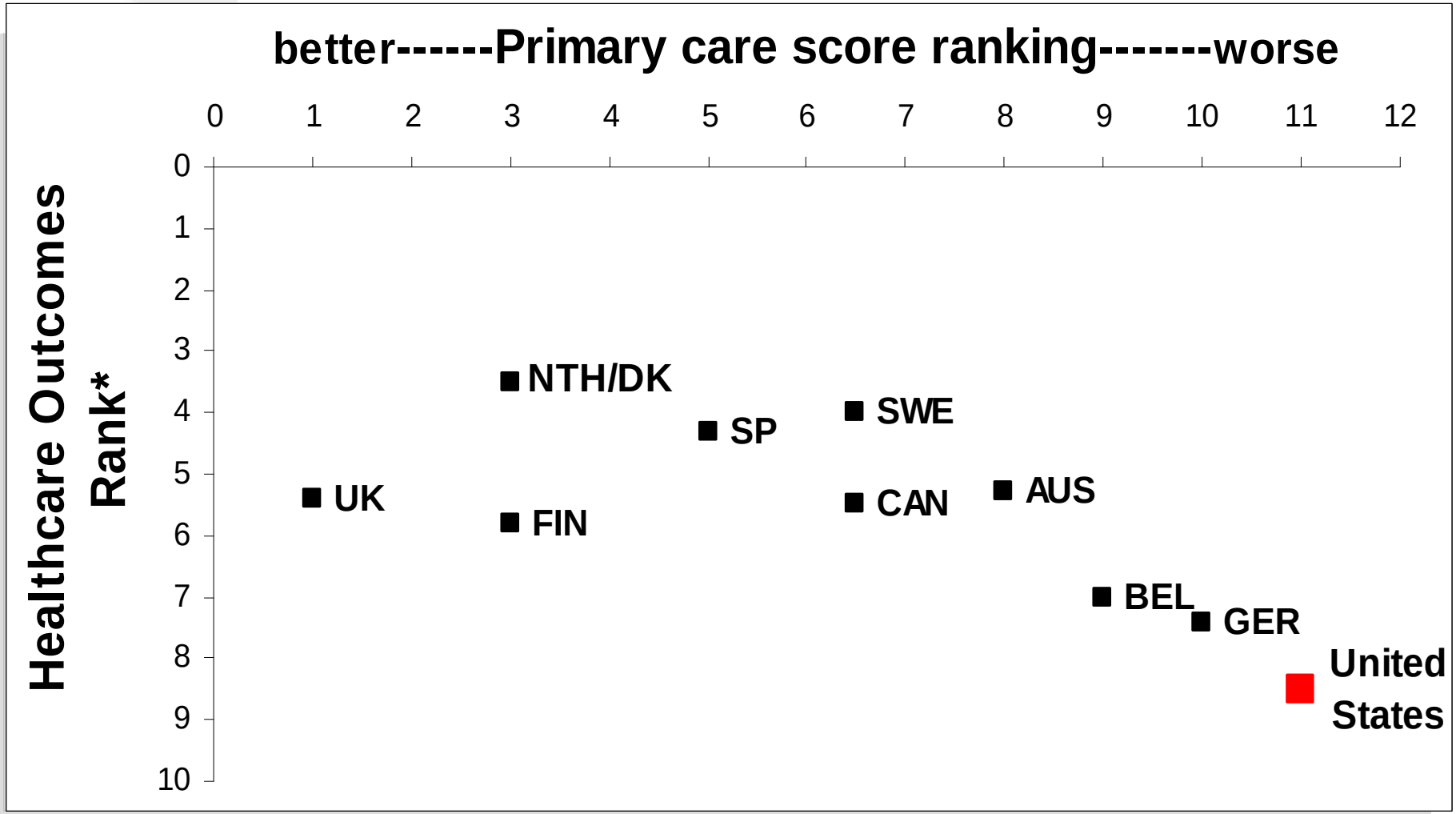
2000 World Health Report:

World Health Organization, 2000 Report

Primary Care – Now more than Ever

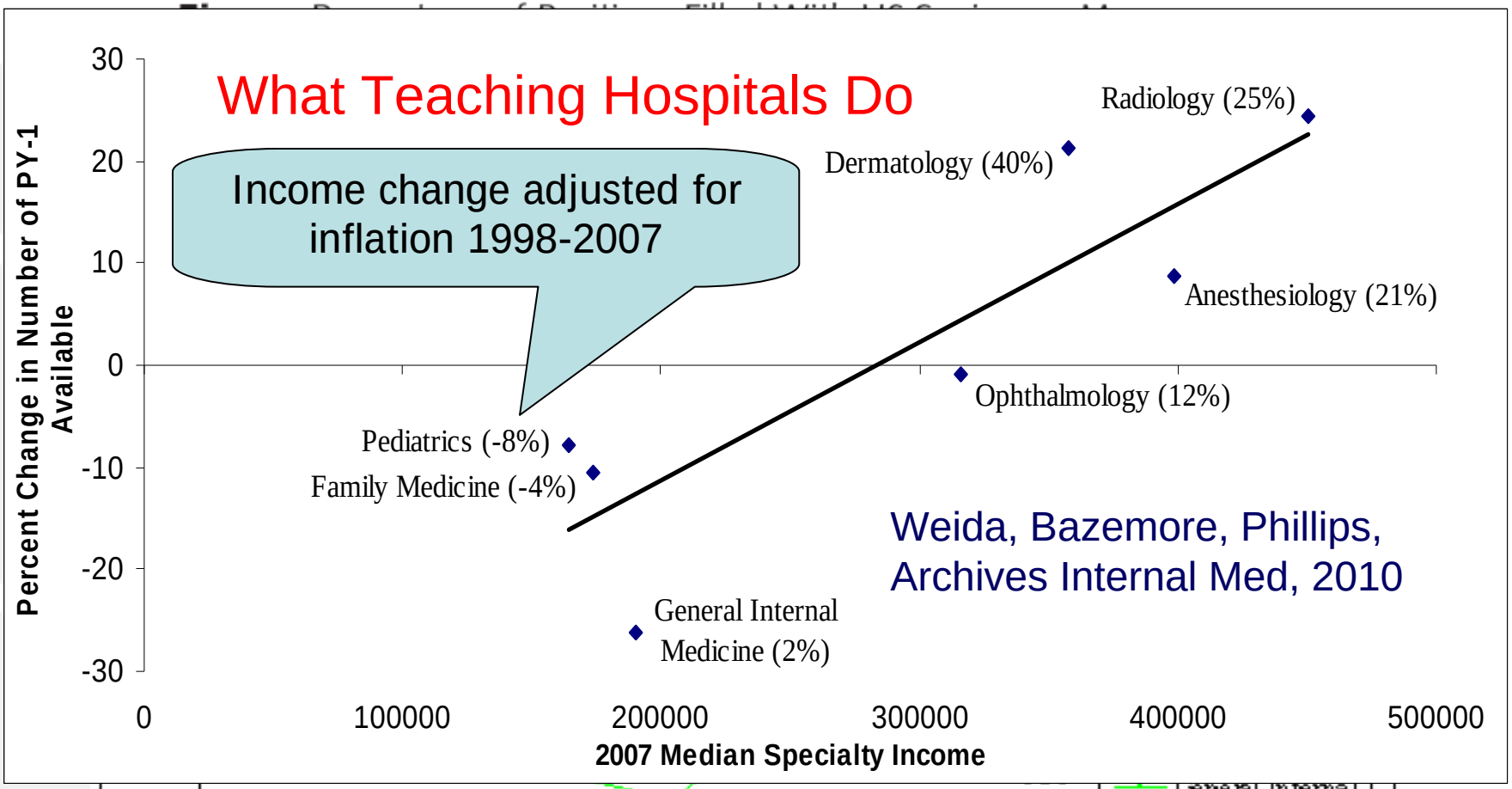
Country	DALE Rank	Overall Rank
France	4	1
Japan	9	10
UK	24	18
Cuba	36	39
Canada	35	30
US	72	37

Growing evidence & lessons behind PC heading into reform :



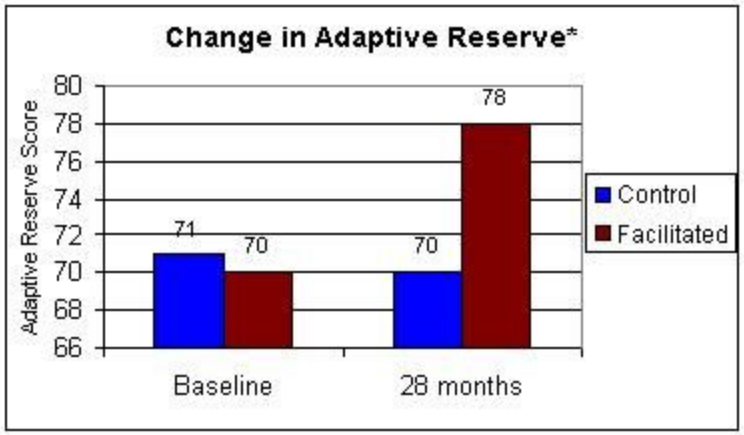
Adapted with permission from Starfield B. Policy relevant determinants of health: an international perspective. Health Policy 2002;60:201-21.

Growing evidence & lessons behind PC heading into reform: Weak financing =Achilles heel



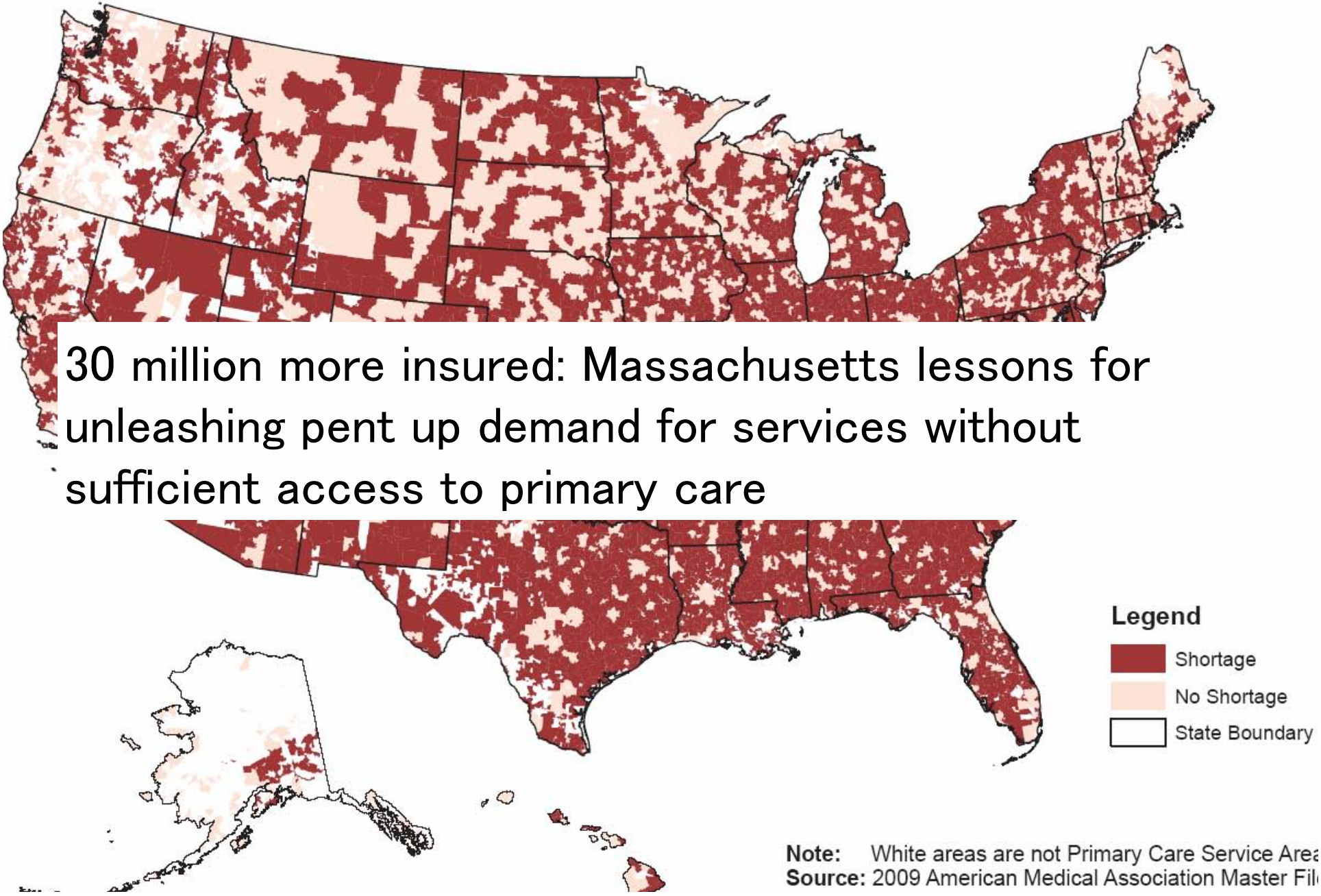
Growing evidence & lessons behind PC heading into reform

- Transformation requires facilitated change & PC physician empowerment
  - Transformed
  - USDA
  - NZ-BPAC
- Accountability for whole populations requires PC-specialty-hospital interface



Working with facilitation agents measurably improves the ability of motivated primary care practices to move towards improved models of care. Widespread primary care practice transformation will likely require facilitation capacity in most communities.

Primary Care Physician Shortage at 1500:1 Ratio
By Primary Care Service Area



30 million more insured: Massachusetts lessons for unleashing pent up demand for services without sufficient access to primary care

Payment Issues

- Incentive Payment Program for Primary Care Services
  - 10-percent bonus payment for primary care services provided by a primary care physician.

Primary Care Bonus

- Eligibility criteria for physicians:
  - enrolled in Medicare with a primary specialty designation of family practice, internal medicine, pediatrics or geriatrics
  - for whom primary care services in 2008 (limited to codes for office visits, nursing home visits and home visits) account for at least 60 percent of the allowed charges under Part B.

Primary Care Bonus

- Payments will be made quarterly based on Medicare claims filed during the previous quarter.
- Bonus applies only to the primary care services, not to all Medicare charges.
- Program begins in January 2011 and ends on December 31, 2015.

Primary Care Bonus

- Concerns:
  - Specialists changing their designation to “Internal Medicine”
  - Tends to penalize physicians in rural areas and those striving to provide a broad array of primary care services.
  - House bill had the payment apply to all Medicare billing, with a 50% threshold that included preventive health services and permanently

Payment Issues

- Medicaid Parity with Medicare
  - For 2013 and 2014, Medicaid must pay primary care physicians at least as much as Medicare pays for primary care services.
  - Only applies to primary care physicians (and providers) and for primary care services, including preventive health.

Health Delivery System Reforms

- Accountable Care Organizations
- Patient Centered Medical Home Demonstrations
- Center for Medicare and Medicaid Innovation
- Physician Quality Reporting Initiative (PQRI)

Health Delivery System Reforms

- Accountable Care Organizations (ACO)
  - By January 1, 2012, HHS must establish a new Medicare shared savings program to allows groups of providers to work together within a legal entity to manage and coordinate care for Medicare patients.

Health Delivery System Reforms

- Accountable Care Organizations, cont.
  - These entities, called ACOs, will share in the cost savings they achieve for the Medicare program if they satisfy quality performance standards.
  - CMS hopes to have preliminary rules for public comment by December.

Health Delivery System Reforms

- Patient Centered Medical Home (PCMH) Demonstrations
  - By January 2012, CMS will test the PCMH model of team-based primary care.
  - The goal will be to reduce costs and to improve health outcomes by coordinating and integrating health care for the patient.

Health Delivery System Reforms

- Patient Centered Medical Home (PCMH) Demonstrations, cont.
  - The team's practice will be paid a per-patient, per-month coordination fee (amount to be determined) in addition to fee-for-service payments.
  - Third-party recognition will probably be required.

Health Delivery System Reforms

- CMS Center for Innovation
  - Responsible for developing innovative approaches to:
    - reimbursement methodology,
    - delivery of health care, and
    - provision of benefits in government-sponsored programs

Health Delivery System Reforms

- Physician Quality Reporting Initiative (PQRI)
  - Current incentive program is extended through 2014
    - 1 percent payment for 2011
    - 0.5 percent payment for 2012 -2014
    - Additional 0.5 percent for meeting the requirements of a Maintenance of Certification program from 2011-2014.

Health Delivery System Reforms

- PQRI, cont.
  - Then in 2015, a penalty for failing to report quality data satisfactorily will be a 1.5 percent reduction in payment
  - The penalty grows to 2 percent in 2016 and beyond.
  - By January 2011, HHS must develop a Physician Compare website.

Health Delivery System Reforms

- PQRI, cont.
  - By January 1, 2013, HHS must publicize Medicare physician performance information that provides comparable information on quality and patient experience measures.
  - By January 3, 2012, HHS must have a plan to integrate the PQRI with the E.H.R. reporting requirements.

Coverage Changes

- The *Affordable Care Act* requires health plans to give patients their choice of doctors by guaranteeing that they can choose the primary care doctor or pediatrician they want from their health plan's provider network

Coverage Changes

- Preventive Health Services
  - All new group health plans (after Sept. 23) must provide first-dollar coverage of preventive health services defined by US Preventive Health Task Force (grades A and B)
  - Medicare will waive cost sharing for these preventive services starting in 2011.

Coverage Changes

- Preventive Health Services, cont.
  - Medicare will pay for an annual wellness visits for beneficiaries beginning in 2011.
  - $250 million from Prevention and Public Health Fund to community programs for preventive health and for public health infrastructure.

Coverage Changes

- Preventive Health Services, cont.
  - State Medicaid programs must cover tobacco cessation services for pregnant women without cost sharing as of January 1, 2011.
  - An interagency council, headed by the Surgeon General, will focus funding on prevention and public health programs.

Coverage Changes

- Preventive Health Services, cont.
  - In 2013, states can access incentives for their Medicaid programs that cover evidence-based preventive services with no cost-sharing

Coverage Changes

- State Health Insurance Exchanges
  - Beginning in 2014, state HIE will be available for individual and small group insurance products.
  - Health plans in the exchanges will offer first dollar coverage of preventive health services.

Coverage Changes

- Individual mandate begins January 1, 2014.
  - Individuals must have acceptable health insurance coverage or pay a penalty
    - $95 for 2014
    - $325 for 2015
    - $695 for 2016 or up to 2.5 percent of income

Cost Containment

- Patient Centered Outcomes Research Institute
- Independent Payment Advisory Board

Cost Containment

- Patient Centered Outcomes Research Institute
  - Private, independent, non-profit corporation
  - Board of Governors announced on September 24
  - Identify priorities for and to conduct comparative clinical outcomes reasearch

Cost Containment

- PCORI, cont.
  - Goal is to identify effective and efficient treatment options.
  - HHS may use this research to make Medicare coverage determinations.
  - Safeguards to prevent this research from being used to ration care

Cost Containment

- Independent Payment Advisory Board
  - To develop and submit comprehensive proposals on Medicare reimbursement rates, to reduce the rate of growth in Medicare spending and to improve the quality of care for Medicare patients.

Cost Containment

- IPAB, cont.
  - 15 members appointed by the President and confirmed by the Senate
  - Full time federal employees, with no conflict of interest
  - First annual recommendation report to Congress in January 15, 2014.
  - Special rules for review.

Workforce Development

- National Health Care Workforce Commission
- Student loan programs, scholarships and loan repayments expanded for primary care.
- Unused residency slots are to be re-distributed to increase primary care.

Workforce Development

- Teaching Health Centers
- Primary Care Extension Service
- Revisions to GME to favor non-hospital training
- New grants for medical schools to recruit students to practice in underserved rural areas.

Workforce Development

- National Healthcare Workforce Commission
  - Beginning January 1, 2011, it will provide comprehensive, objective information and recommendations to Congress and HHS for aligning federal health care workforce resources with national needs.

Workforce Development

- Workforce Commission, cont.
  - 15 members appointed by September 30, 2010
  - Must advise Congress on current health care workforce supply and distribution with projected demands
  - Will consider health care workforce education and training capacity

Workforce Development

- Teaching Health Centers
  - At new or expanded primary care residencies
  - pays for direct and indirect expenses
- Primary Care Extension Service
  - To educate primary care providers about preventive medicine, health promotion, etc.

Questions?

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