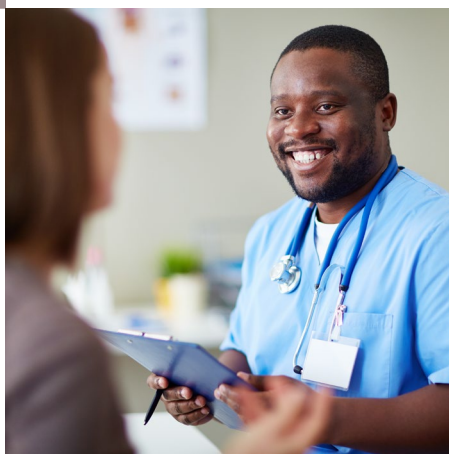




KEY TAKEAWAYS

Investing in Primary Care: Why It Matters for Californians with Commercial Coverage

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AUTHORS

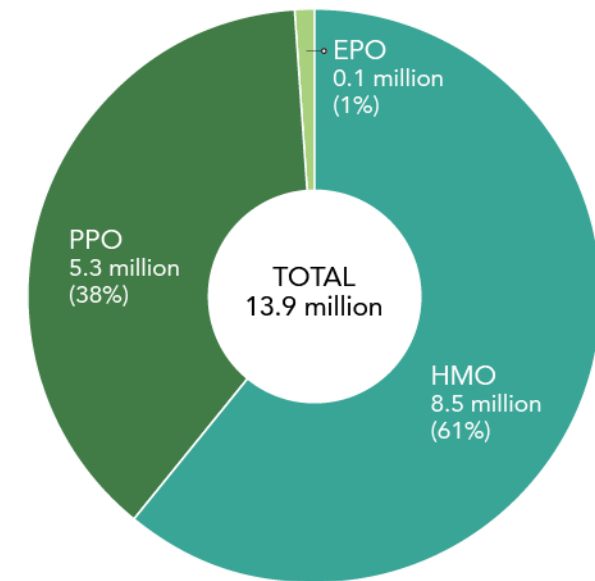
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The full report is available at www.chcf.org/resource/primary-care-matters/commercial-study

Study Overview:

- For commercially-insured adults in California, this study examined the percentage of total health care dollars spent on primary care by:
 - Health plan product, and
 - Provider organization (PO)
- Provider Organizations: Commercial HMOs in California are organized around a capitated, delegated model of care. In this payment model, provider organizations assume responsibility and financial risk for managing the care of their assigned patients.
- This study is novel in its examination of primary care spending percentage across provider organizations, and the associations of that percentage with important quality, patient experience, service utilization and cost outcomes.

Figure 1. Breakdown of Study Population Enrollment by Type of Product

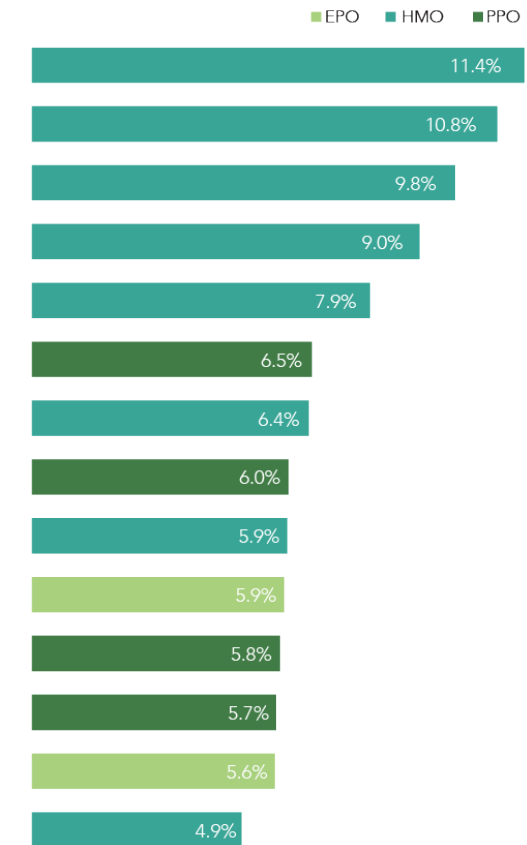


Notes: *EPO* is exclusive provider organization. *HMO* is health maintenance organization. *PPO* is preferred provider organization.
Source: Authors' analysis of IHA primary care data set, 2021.

Health Plan Product Level Findings:

- The analysis included 13.9 million adults (~80% of all commercially-insured adults in California) in 14 commercial health plan-product combinations.
 - On average, 7.5% of total health care spending went to primary care (range: 3.5% to 12.7%). After adjustment for population age, gender, and clinical risk score, percentages ranged from 4.9% to 11.4%.
 - Relationships between adjusted primary care spending percentages and measures of clinical performance, utilization, and cost were mixed. Higher primary care spending percentage was associated with:
 - Better performance for clinical quality
 - Marginally lower acute hospital utilization
- But:
- Slightly higher emergency department utilization
 - Slightly higher total cost of care

Figure 2. Adjusted Primary Care Spending Percentage, by Health Plan Product



Notes: *EPO* is exclusive provider organization. *HMO* is health maintenance organization. *PPO* is preferred provider organization.

Source: Authors' analysis of IHA primary care data set, 2021.

Provider Organization Level Findings:

- The analysis included 8.5 million adults enrolled in HMOs, receiving care from 180 provider organizations.
- Primary care spending percentage ranged from 2.8% to 15.4% across provider organizations.
- A higher percentage spent on primary care was associated with:
 - Better performance on quality and patient experience
 - Lower hospital and emergency department use
 - Lower total cost of care
- If performance for provider organizations in the three lower quartiles of primary care spending percentage equaled the average performance of those in the highest quartile:
 - Up to 196,000 more members would receive recommended care
 - 147,000 more members would rate their overall care ≥ 9 out of 10
 - There would be 25,000 fewer acute hospital stays (23% lower) along with 89,000 fewer ED visits (19% lower)
 - In total, health care expenditures would be \$2.4 billion lower.

Conclusions and Future Directions:

- Primary care spending percentage at the health plan product level was associated with better performance only for clinical quality and marginally lower acute hospital utilization.
- Primary care spending percentage **at the PO level** was consistently and statistically significantly associated with better performance on measures of clinical quality, patient experience, utilization, and cost.
- This study is novel in its examination of primary care spending percentage among POs and supports the important role of primary care and its relationship to positive quality and cost outcomes. The findings highlight an important opportunity to measure and enhance primary care investment, particularly within POs with the lowest primary care spending percentage.
- Further research should explore the factors that contribute to the variation in primary care spending percentage and its association with performance among provider organizations.

Primary care is the foundation of health and health equity. This deck is part of a series on strengthening primary care in California.

To learn more, visit [**www.chcf.org/primary-care-matters**](http://www.chcf.org/primary-care-matters).

Methodological Notes

About the Data Set:

- The study population included 13.9 million commercially insured adults (~80% of the all commercially insured adults in California) enrolled with one of eight health plans that participate in the Integrated Healthcare Association (IHA) data set. Medicare Advantage plans were not included. Children under the age of 18 were excluded. Data are from 2018.
- The eight health plans include:

Aetna

Anthem Blue Cross

Blue Shield of California

Health Net

Kaiser Permanente

L.A. Care Health Plan

Sharp Health Plan

Western Health Advantage

Performance Measures:

The Clinical Quality Composite Measure included the percentage of:

- Members age 19 to 64 with asthma and a ratio of controller medications to total asthma medications of at least 50% (for PO analysis only)
- Women age 50 to 74 with appropriate breast cancer screening
- Women age 21 to 64 with appropriate cervical cancer screening
- Members age 50 to 75 with appropriate colorectal cancer screening
- Members age 18 to 75 with diabetes with HbA1c levels <8%
- Members age 18 to 75 with diabetes with nephropathy monitoring
- Members age 18 to 75 with diabetes with HbA1c levels >9%
- Members age 18 or over who received prescription opioids at a high dose for 15 or more days during the measurement year

Performance Measures (cont.):

The following individual measures were used:

- Patient rating of doctor and all care (for PO analysis only)
- Acute hospital utilization, medical and surgical, per 1,000 member-years
- Emergency department (ED) utilization, per 1,000 member-years
- Total cost of care (\$ PMPM)

Definition of Primary Care:

- Across different studies, definitions of primary care vary.
- For this study, primary care was defined as:
 - Payments for all services provided by pediatricians, internists, general practitioners, family practitioners, and nurse practitioners and physician assistants with a primary care focus (pediatric, adolescent, adult, geriatric, and family medicine).
 - For practitioners with a hospice and palliative care, community health, or school health focus, only certain primary care–oriented services were included.