APRIL 2022

# Why Primary Care Matters for California

More than 90% of Californians have health insurance, yet millions still lack access to affordable, high-quality care.[1] The mismatch between coverage and care is fueled by shortages of health care providers in many parts of the state, especially in rural areas and Latino/x, Black, and Native American communities.[2] It reveals the dysfunctions of our health care system and the dire need for primary care investment and improvement.

Every Californian needs access to a primary care team that knows them, their family, and their community. Absent such relationships, Californians can easily get lost in the health care system, get ignored by it, or not trust it. Primary care providers — including physicians, nurse practitioners, and physician assistants — administer critical first-line care for physical and behavioral health needs. They help patients diagnose symptoms, prevent disease, manage chronic illness, and overcome social stressors that impact health, such as violence or food insecurity. They also help coordinate care, such as testing and specialist care. This makes access to primary care crucial for patients to make the best medical decisions, and a lifelong need all Californians share.

Without regular screening, for example, a common but manageable condition like high blood pressure can lead to a life-threatening stroke. By helping patients manage chronic conditions and identify illnesses before they become emergencies, primary care keeps health care costs in check. This makes revitalizing primary care essential to reorient our health care system back to patients, who want more affordable, high-quality, responsive, and equitable health care.

## Renewed Emphasis and Investment in Primary Care Will Improve Our Health Care System

Decades of research show health care systems with robust primary care have better and more equitable health outcomes, lower costs, and better quality — including lower mortality rates, lower hospital care rates, and higher patient satisfaction. Despite the evidence, our health care system undervalues primary care. Compared to other developed nations, American adults are least likely to have a long-standing relationship with a primary care provider.[3] Nationwide, primary care accounts for 35% of health care visits but receives just 5 cents of every health care dollar spent (see Figure 1 on page 2).[4]

> *"American adults with a primary care provider have 33% lower health care costs each year and are 19% less likely to die prematurely than those who only see a specialist. If everyone used a primary care provider as their predominant source for health care, our nation would save $67 billion each year in health care costs."*
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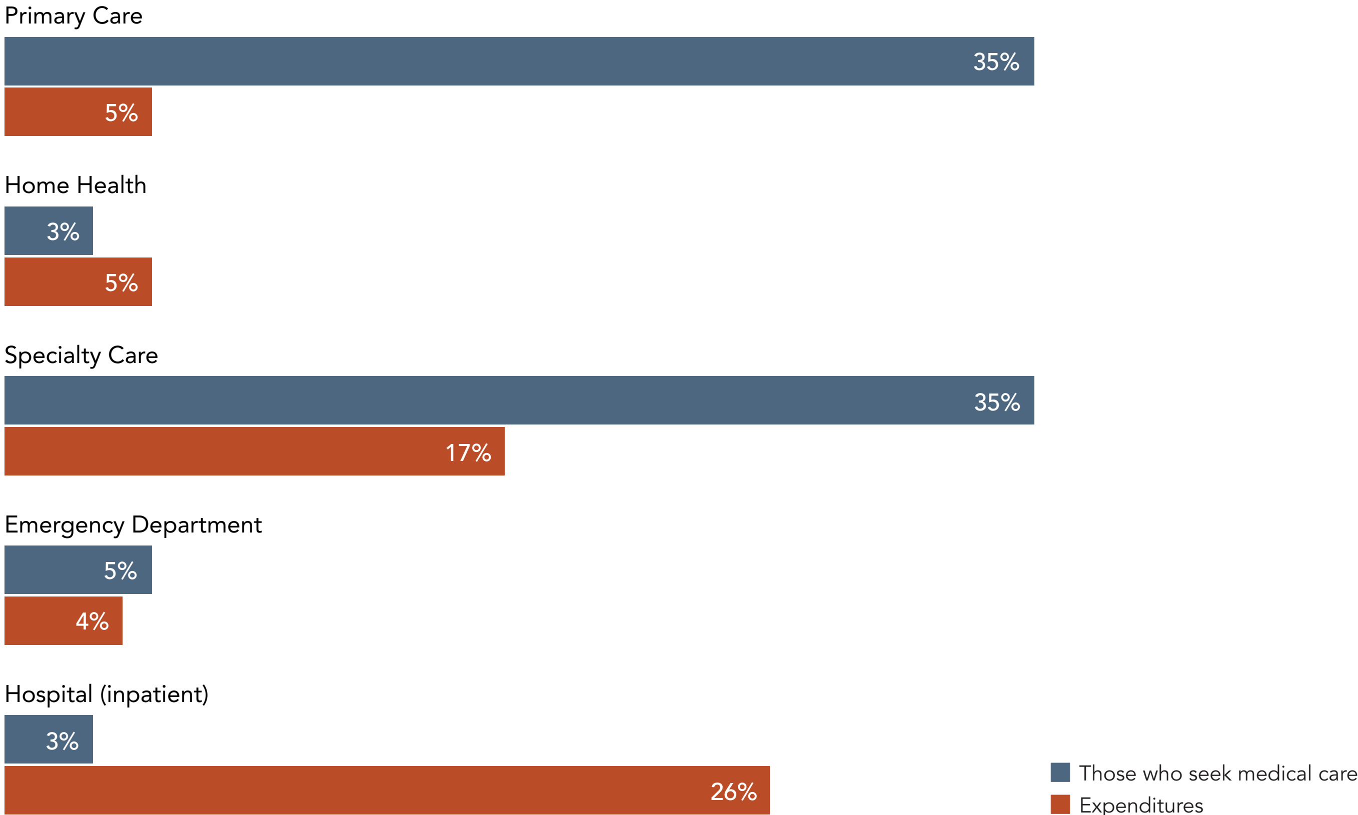
> — Naomi Freundlich et al., ***Primary Care: Our First Line of Defense***, The Commonwealth Fund, June 12, 2013

Primary care is the foundation of health and health equity. This brief is part of a series on strengthening primary care in California. To learn more, visit **www.chcf.org/primary-care-matters**.

This allocation of funding is fueled by a payment method that incentivizes health care providers to deliver specific services instead of nurturing health outcomes. Consequently, our health care system is more equipped to treat us when we are sick instead of working to keep us healthy. It also costs more than it should. Health care costs total nearly 18% of the United States' gross domestic product (GDP), and they grow faster than our economy and inflation.[5] Yet spending on primary care as a share of total health care costs is low and declined between 2017 and 2019.[6]

**Figure 1. Health Care Visits vs. Expenditures, United States**




Notes: Visit volume data comes from the 2012 Medical Expenditure Panel Survey (MEPS), while the financing comes from 2016 MEPS data. Expenditures include direct payments for care (insurance payments or out-of-pocket payments). Primary care and specialty care include office-based and outpatient clinics. Primary care data include physicians in family medicine, general practice, geriatrics, general internal medicine, and general pediatrics only. Nurse practitioner, physician assistant, and midwife data were not broken down by setting and are not represented in this figure. Home health includes both formal (i.e., paid) and informal (i.e., unpaid) care. Informal care includes only individuals who live outside the house. All categories are not included in the figure, and thus the totals do not add up to 100%.

Source: Linda McCauley et al., eds., *Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care* (Washington, DC: The National Academies Press, 2021), 20.

## Primary Care Workforce Challenges Create Obstacles to Health Care Access and Equity

A cliff is coming, jeopardizing access to health care because the primary care workforce is shrinking dramatically. Fewer physicians are entering the field, in part because primary care physicians earn 30% less than other physicians, on average.[7] A generation of primary care providers will soon retire.[8] Many are also leaving the field from burnout caused by large workloads and growing administrative tasks.[9]

Without action from policymakers and the health care industry, California will be short over 4,000 primary care providers within the decade.[10] Today, 11.4 million Californians live in a Primary Care Health Professional Shortage Area (HPSA), over one-quarter of the state's population.[11] Nearly two-thirds (64%) of those living in primary care HPSAs are Latino/x, Black, and Native American, highlighting the equity implications of the shortage of primary care providers.[12] The Inland Empire, San Joaquin Valley, and Northern/Sierra regions have the greatest imbalance between population need and provider supply.[13]

The California Future Health Workforce Commission developed a strategic plan to build the health workforce we need by 2030. While progress has been made to expand the number of primary care physician residency programs, and plans are in place to continue that investment, success will remain elusive if primary care is not seen as a viable career.[14]

## Unequal Access to Primary Care in California Impacts Care Quality and Health

A National Opinion Research Center (NORC)/California Health Care Foundation (CHCF) poll found that more than 8 in 10 (85%) of insured Californians have a primary care provider. Insured Californians with a primary care provider, compared to those without, report fewer access, language, and distance barriers; are more likely to engage in prevention and healthy behaviors; and are less likely to report negative experiences with health care providers, such as being talked down to, being asked to repeat information or testing, or having a doctor refuse a test or medication that they thought they needed. Insured Latinos/x are least likely to report having a primary care provider compared to all other insured Californians, raising concerns about health equity. The complete polling results are available on the **Primary Care Matters online resource center**.

## Efforts to Revitalize Primary Care in California

Recognizing that changes to our health care system demand partnership, CHCF convened the Primary Care Investment Coordinating Group of California (PICG). The PICG includes several of the state's largest public and private health care purchasers, as well as health care consumer advocates. It has worked to support California-focused research to inform changes in health care policy and industry practices; develop recommended actions for measuring, reporting, and assessing results of primary care spending; and deploy data with transparency to create a new business model for primary care. Learn more about the PICG on the **Primary Care Matters online resource center**.

## Conclusion: Primary Care Investment and Improvement Benefit Everyone

Increasing engagement with primary care benefits everyone because it puts patients back at the center of care, with their primary care provider and team as an advocate for their health. By improving how the health care system connects with patients, generalists and specialists can interact with the patients who need them most, when they need them the most. This will make more efficient use of health care resources while improving the patient experience of our health care system by making care more accessible and responsive, which is essential to improving patient health and increasing health equity among all Californians.

**KEY TAKEAWAY.** Primary care is the foundation of a functional health care system. It needs, and deserves, our attention.

## About the Foundation

The **California Health Care Foundation** is dedicated to advancing meaningful, measurable improvements in the way the health care delivery system provides care to the people of California, particularly those with low incomes and those whose needs are not well served by the status quo. We work to ensure that people have access to the care they need, when they need it, at a price they can afford.

CHCF informs policymakers and industry leaders, invests in ideas and innovations, and connects with changemakers to create a more responsive, patient-centered health care system.

## Endnotes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