KEY TAKEAWAYS
Investing in Primary Care: Why It Matters for Californians with Medi-Cal Coverage

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Importance of Primary Care in Medi-Cal

- In 2015, the ratio of PCPs to beneficiaries was 39 per 100,000, below the minimum standards set by the California Department of Health Care Services (DHCS) and the Council on Graduate Medical Education (COGME).
- A national study using 2011 data found that only 53.7% of California PCPs participate in Medicaid (second-lowest in the country), and California ranked 42nd nationally in PCPs per capita who accept Medicaid.
- California ranks in the lowest quartile of primary care access for children and adolescents in Medicaid, as measured by the percentage of enrollees who had a recent PCP visit.

- DHCS made prevention and primary care the foundation of its recently adopted five-year quality and equity strategy.
- Starting in 2024, DHCS will require managed care plans to report on primary care spending percentage and will explore setting targets for minimum primary care spending.

Why Do This Study?

- Primary care physician participation is lower in Medicaid compared to commercial populations; workforce challenges are even worse.
- Increasing interest in primary care investment among state Medicaid programs.
- Host of different data challenges associated with Medicaid and investment options are nuanced (e.g., specialty access is low).
- Medicaid analysis required for understanding and Primary Care Investment Coordinating Group of California goals of alignment.

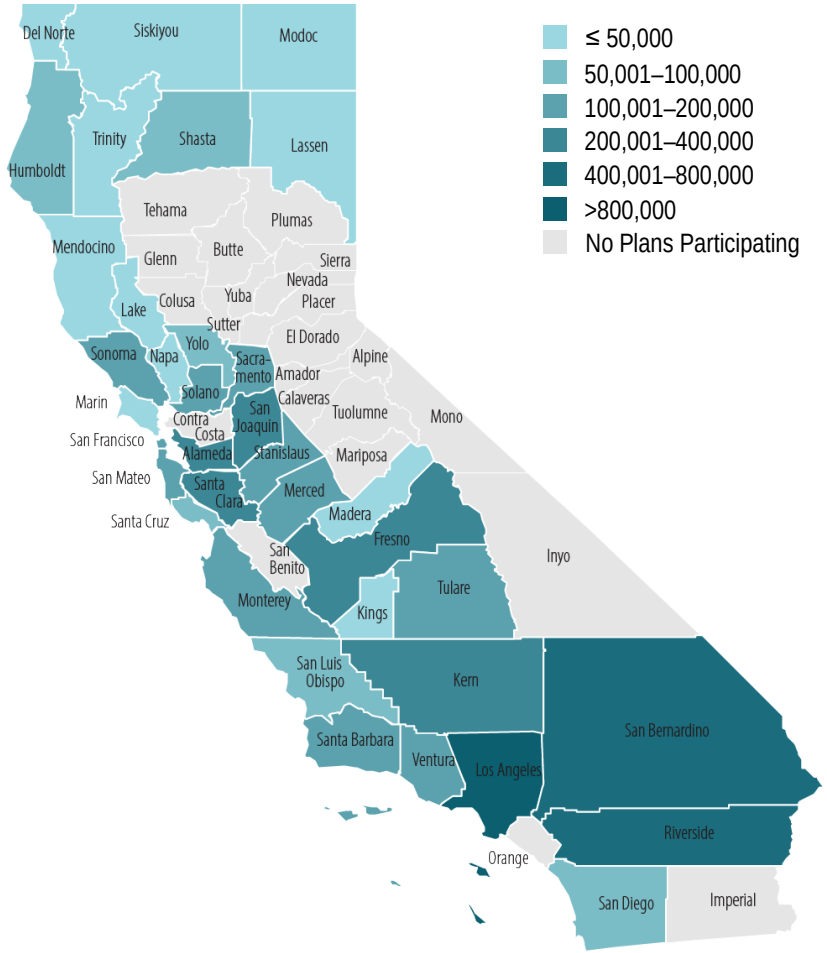
Goals of the study:

- Provide a preliminary baseline estimate of primary care spending in Medi-Cal plans.
- Conduct a preliminary assessment of how primary care spending percentage is associated with quality, patient experience, utilization, and cost performance.
- Use aggregated data reported by plans on their rate development templates (RDTs) to provide an early, exploratory snapshot that can inform future research.

Study Design: Participating Plans

- Voluntary data submission from Medicaid managed care plans (MCPs) representing 5.6 million Medi-Cal enrollees
- Study includes 5.4 million enrollees in 27 counties; half of all Medi-Cal MCP enrollees
    - Alameda Alliance for Health
    - CalViva Health
    - CenCal Health
    - Central California Alliance for Health
    - Gold Coast Health Plan
    - Health Net of California
    - Health Plan of San Joaquin
    - Health Plan of San Mateo
    - Inland Empire Health Plan
    - Kern Health Systems
    - Partnership HealthPlan of California
    - San Francisco Health Plan
    - Santa Clara Family Health Plan

Enrollment in Participating Medi-Cal Managed Care Plans



Sources: Edrington Health Consulting analysis of CY 2019 rate development templates; direct plan submission of proprietary data, July 2022; and "Month of Eligibility, Age Group, and Sex, by County, Medi-Cal Certified Eligibility" (Jan. 2019–Dec. 2019), California Health and Human Services Agency Open Data Portal, last updated July 11, 2022.

About the Data Set: Details

- This study used calendar year (CY) 2019 rate development template (RDT) information submitted by 13 Medi-Cal managed care plans.
- Included data for four different population groups: children, adults, adults covered under the Affordable Care Act's Medicaid expansion, and older adults and people with disabilities.
- Excluded:
  - Dually eligible enrollees (people eligible for and enrolled in both Medicaid and Medicare)
  - Long-term residents of nursing homes
  - Those whose care was delegated under a global capitation arrangement

Broad Definition of Primary Care

- Primary care spending was defined as spending in three service categories reported on the RDT (physician primary care, other medical spending, FQHC) plus all physician incentive payments:
  - Physician primary care includes all nonspecialty physician services, including ob/gyn.
  - FQHC includes all FQHC services, which can include specialty services. It does not include additional payments to FQHCs not captured on the RDTs.
  - Physician incentive payments are not reported by category of service. All physician incentive payments were counted as primary care spending.
- Likely a generous estimate of primary care spending percentage when compared to other states' methodologies:
  - Uses a "broad" definition of primary care services that includes ob/gyn
  - Includes nonclaims spending
  - Excludes carveouts from denominator
  - Population includes kids

Performance Measures and Alignment

- Clinical quality, using HEDIS measures, individually and aggregated into DHCS' Aggregate Quality Factor Score (AQFS)
- Patient experience, using the CAHPS survey
- Overall plan performance, using the NCQA Health Insurance Plan rating
- Primary care, emergency room, and acute hospital utilization, calculated from utilization information provided on the RDTs
- Total spending, captured on the RDTs

Table A3. Alignment of Common Measures of Primary Care Performance

MEASURE NAME	AQFS*	APC†	HEDIS‡	MCAS FOR MCPs (MEDI-CAL)§
Adult BMI Assessment (ABA)	✔		✔	✔
Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents: BMI Assessment for Children/Adolescents (WCC-BMI)	✔			✔
Childhood Immunization Status: Combination 10 (CIS-10)	✔	✔		✔
Immunizations for Adolescents: Combination 2 (IMA-2)	✔			✔
Breast Cancer Screening (BCS)	✔		✔	✔
Cervical Cancer Screening (CCS)	✔		✔	✔
Chlamydia Screening in Women (CHL)	✔		✔	✔
Asthma Medication Ratio (AMR)	✔	✔	✔	✔
Controlling High Blood Pressure (CBP)	✔	✔	✔	✔
Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Testing (CDC-HT)	✔			✔
Comprehensive Diabetes Care: HbA1c Poor Control (>9.0%) (CDC-H9)	✔	✔		✔
Antidepressant Medication Management: Acute Phase Treatment (AMM-Acute)	✔			✔
Antidepressant Medication Management: Continuation Phase Treatment (AMM-Cont)	✔			✔
Prenatal and Postpartum Care: Timeliness of Prenatal Care (PPC-Pre)	✔			✔
Prenatal and Postpartum Care: Postpartum Care	✔			✔
Well-Child Visits in the First 15 Months of Life (W15)	✔		✔	✔
Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life (W34)	✔		✔	✔
Adolescent Well-Care Visits (AWC)	✔		✔	✔

* *Managed Care Accountability Set (MCAS) for Medi-Cal Managed Care Plans (MCPs)* (PDF), California Department of Health Care Services, updated October 23, 2019. AQFS measures are measures held to the minimum performance level (MPL) from the MCAS for MCPs.

† *Advanced Primary Care Measure Set: Alignment with Attributes* (PDF), Purchaser Business Group on Health, accessed June 22, 2022.

‡ *HEDIS 2019, Volume 2: Summary Table of Measures, Product Lines and Changes* (PDF), NCQA, accessed June 22, 2022.

Source: Edrington Health Consulting analysis of CY 2019 rate development templates; direct plan submission of proprietary data, July 2022.

Key Finding: Primary Care Spending Varies Widely Across Plans and Populations

- Primary care spending ranged from $8.85 per member per month (PMPM) to $61.24 PMPM. This translates to roughly 11% of health care dollars spent on primary care, with a range from 5% to 19%.
- Primary care spending also varied widely between the different populations included in this study, with the highest levels and lowest percentage of spending in the population of older adults and people with disabilities, and the lowest levels and highest percentage among kids.

Table 1. Range of Primary Care Spending Across County-Specific Health Plans (*N* = 27)

POPULATION	PERCENTAGE OF STUDY POPULATION	PER MEMBER PER MONTH			PERCENTAGE		
		MINIMUM	MEAN	MAXIMUM	MINIMUM	MEAN	MAXIMUM
Adult	15.6%	$13.01	$35.87	$57.85	5.0%	11.6%	20.2%
Child	45.9%	$5.90	$20.49	$34.10	9.6%	28.2%	37.4%
ACA optional expansion	30.8%	$10.97	$32.12	$67.91	4.1%	9.7%	18.9%
SPD	7.7%	$18.67	$44.49	$123.85	2.3%	4.9%	14.7%
All	**100.0%**	**$8.85**	**$28.50**	**$61.24**	**5.0%**	**11.3%**	**18.7%**

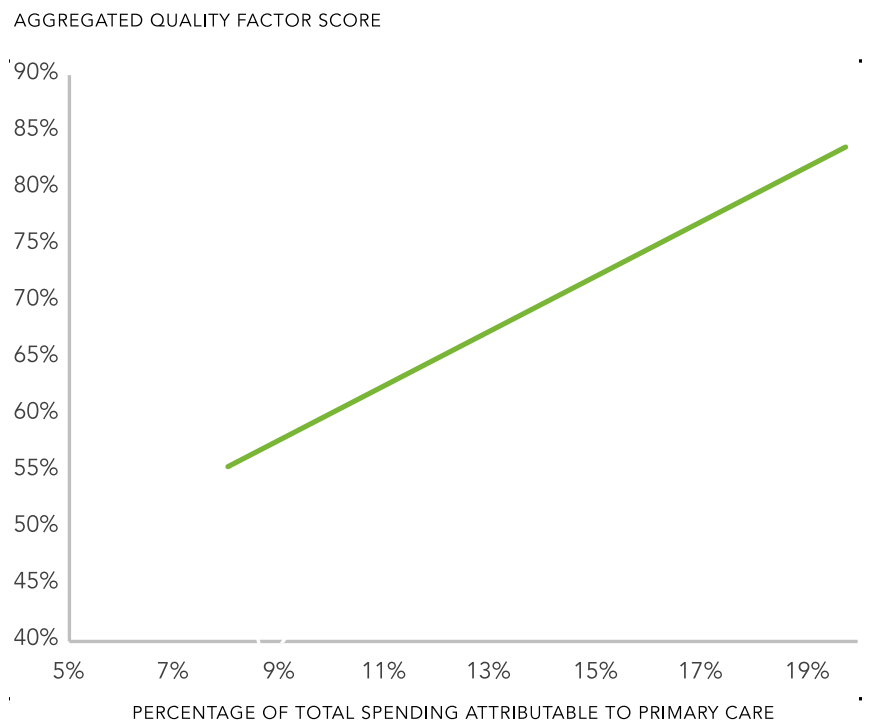
Note: *ACA* is Affordable Care Act; *SPD* is seniors and persons with disabilities.

Source: Edrington Health Consulting analysis of CY 2019 rate development templates; direct plan submission of proprietary data, July 2022.

Key Finding: Plans with a Higher Percentage of Spending on Primary Care Appear to Have Better Quality and Overall Performance

- Higher primary care spending percentage was associated with higher Aggregated Quality Factor Score (AQFS).
- Higher primary care spending percentage was associated with better performance on 9 of the 11 individual HEDIS quality measures studied, with statically significant results for 3.
- Plans that spend a higher percentage on primary care were more likely to have a better overall plan rating from the NCQA.
  - NCQA evaluates health plans on the quality of care patients receive, how patients experience their care, and health plans' efforts to keep improving.

Figure 3. AQFS, by Percentage of Total Spending Attributable to Primary Care ($n = 24$)



Note: $R\,2 = 25.1\%$ and $p = 0.013$.

Source: Edrington Health Consulting analysis of CY 2019 rate development templates; direct plan submission of proprietary data, July 2022.

Association of Primary Care Spending Percentage with Patient Experience and Utilization Outcomes was Mixed

- Higher primary care spending was directionally consistent with better performance for all 10 patient experience (CAHPS) measures analyzed, but only 1 measure (Rating of All Health Care) met statistical significance.
- A plan's primary care spending percentage did not demonstrate a clear relationship with total cost of care or acute hospital or ER utilization *except* that a higher primary care spending percentage was associated with an increased rate of acute hospital utilization among older adults and people with disabilities.

Limitations

- The use of RDT data does not allow for controlling for important differences between health plans, including acuity of the population and covered benefits.
- Use of capitation-based arrangements limits the level of detail captured within the RDTs.
- The definition of primary care spending was based on broad service categories, with all physician incentive payments and all FQHC payments counted as primary care.

Conclusions and Future Directions

- This study provides a preliminary exploration of primary care spending within Medi-Cal plans using summary-level data.
- The significant variation in primary care spending across plans and the association of higher primary care spending with a range of different outcomes support further exploration of primary care spending in the Medi-Cal population using more detailed analyses.

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  - Danielle Oryn, DO, MPH — chief medical officer, Redwood Community Health Coalition

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

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