

Summary of MAPCAP's Primary Care for You (PC4You) Proposed Legislation

Overarching goals

1. Double Primary Care Investment in Massachusetts
2. Decrease health inequities and begin dismantling systemic racism in healthcare
3. Switch predominant payment model for primary care in MA from FFS to monthly prospective payment

Overarching principles

1. Primary Care (PC) is the only category of health care that improves health while decreasing inequities.
2. PC is in trouble: low capacity/inadequate pipeline and poor funding which limits potency and increases burnout
3. Fee-For-Service (FFS) exerts a corrosive effect on both PC function and workforce.
4. Our current healthcare system creates large inequities, leaving too many without adequate care.
5. The exorbitant cost of healthcare is unsustainable which hurts individuals, families, and businesses.
6. This unprecedented moment in time requires a new model and non-incremental change to address these issues.

PC4You Voluntary Prospective Payment Model (PPM)

Health Insurers will be required to offer the PC4You PPM, allowing all PC practices and health systems the opportunity to opt in to this model if they wish. The Milbank Memorial Fund definition of PC will be used. PC4You would apply to patients with commercial insurance only; not Medicare or Medicaid.

The prospective monthly payment will be determined by using the following formula:

- Historical baseline monthly revenue per patient will be calculated from 2022 (referred to as B).
 - An average PC monthly revenue per patient statewide in 2022 will be determined (referred to as A).
 - An average of A and B will be used as a new baseline payment for each participating practice (referred to as X).
 - This average mitigates the effect of market power by decreasing differences in payment to different entities.
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- X increases 30% in year one of this legislation (no strings attached) based on Gov. Baker's 2019 & 2022 proposals.
 - In year two, X can increase up to 65% based on the practice's degree of commitment to PC transformation.
 - In year three, X can increase up to 100% based on the practice's degree of commitment to PC transformation.
 - A menu of 17 PC transformers (listed below) will be offered to each practice and each one will be assigned a number of points based on the evidence that the transformer improves health, patient experience, and clinician experience; and decreases total medical expense (TME). The PC transformer will also receive more points if a higher level of effort and expense is required by the practice to initiate the transformer.

The Transformers

Integrated Behavioral Health
Addiction Treatment
Community Health Workers
Health Coaches
SDoH investments
Collaboration with pharmacists
Medical Interpreter Services
Home care
Medical scribes
Group visits
Care Management
Telehealth
Patient Advisory Group
Advanced Care Planning/PC palliative care
Population Health
Walk in/same day care
Extended availability (weekend, early morning, evening)

- Each PC Transformer will have specific requirements and each practice must attest to meeting these requirements.
- Practices choose from the PC Transformer menu based on patient population needs and clinician interests/skills.
- The total # of points will be determined by the number of PC transformers in which each practice invests.
- Each practice will be assigned a tier (bronze/silver/gold) based on their point total.
- Each tier will have a dollar value that is added to X to determine Y.

Risk and Quality

- Y will be adjusted up or down with a multiplier that is based on the practice's performance on a small number of PC-appropriate quality measures that have evidence to support their efficacy in improving patient health.
- Y will be also adjusted up or down with a multiplier that is based on risk stratification, determined by both actuarial age/gender bands and the Neighborhood Stress Scale (NSS) which uses census data to predict the social complexity of patients based on their address. The use of the NSS re-allocates resources by accounting for Social Determinants of Health, adding health equity and anti-racist dimensions to this proposed legislation.
- Y will decrease by 10% if a practice is an outlier with specialty referrals or ambulatory-sensitive ED visits.

Primary Care Practice Example

- Acme Primary Care opts into PC4You.
- Their baseline revenue in 2022 is \$28 per patient per month (PPPM).
- The statewide average primary care PPPM in MA is \$32.
- Averaging \$28 and \$32 produces an adjusted baseline of \$30 PPPM.
- Year one features a 30% increase in primary care investment which generates a new payment of \$39 PPPM.
- This increased investment in PC allows practices to begin investing in some of the PC Transformers.
- Acme Primary Care achieves the Silver Tier in Year three which adds \$14 to their PMPM (\$53 now).
- Acme Primary Care quality measures are average so their multiplier is 1X so that does not change their PPPM.
- Their risk multiplier based on age bands/NSS is 1.1X so the final PPPM (\$58.3) is >2X the original PPPM (\$28).

Other Considerations

- Clinicians will be paid on a FFS basis for outpatient procedures including but not limited to joint injections, IUD insertions, skin biopsies, prenatal care, and vaccinations, in order to incentivize maintaining PC's broad scope.
- Community Health Centers (CHCs) will receive a monthly payment per patient that is no less than their PPS (Prospective Payment System) rate. This applies only to commercial payments.
- At least 95% of payment must go directly to clinicians or practices as opposed to ACOs/IPAs/health systems.
- Patients at a practice that opted in to PC4You will have unfettered access to PC (no copays/no deductibles).
- The MA Health Policy Commission (HPC) will review the formulae in this legislation every three years including the points, the tiers, and which PC innovations are appropriate for the PC Transformer list.
- The HPC's goal will be to ensure that 12-15% of the state's total medical expense (TME) is spent on PC.

Massachusetts Primary Care Trust

- PC practices will receive their monthly prospective payment from the Massachusetts Primary Care Trust for all commercial patients, dramatically decreasing their administrative burden. This excludes Medicare and Medicaid.
- MassHealth has been approved for an 1115 waiver, starting in 2023. The components of this waiver are quite aligned to this proposed PC4You legislation, allowing for the possibility of a future merging of these 2 programs.
- The MA PC Trust will receive payment from commercial payers based on the above structure.
- The MA PC Trust will be administered by the MA Division of Insurance (DOI) as they have an established relationship with commercial payers.

Ideas to Consider

- While doubling investment in PC, it is a priority to keep total healthcare expenses flat.
- One method to achieve this is to cap hospital fee growth in large systems which has been successfully implemented in other states such as Rhode Island and Delaware.
- The current "healthcare trend" (increased cost) reported by commercial payers in Massachusetts is about 9%. PC4You legislation could include a provision that does not allow payers to include their increased investment in PC in the calculation of the "healthcare trend." This would force payers to re-allocate dollars to PC without increasing consumer prices.
- There is an anticipated ROI from increased PC but this may take five years to realize.

Potential Barriers

- HOSPITALS will benefit from two aspects of PC4You: 1) more people accessing PC will mean additional downstream revenue for hospitals and hospital systems. 2) hospitals often lament the cost of underwriting their PC practices that are losing money. That expense becomes obsolete with PC4You.
- COMMERCIAL PAYERS are in favor of increasing PC investment, replacing FFS with a prospective monthly payment for PC, and decreasing health inequities. This legislation will save them money elsewhere to offset their additional expense related to increased PC investment, so payers would not need to increase consumer prices.
- EMPLOYERS will be delighted with happier and healthier employees that have unfettered access to PC (no copays or deductibles), along with the confidence that their healthcare costs will not increase.
- Pending financial simulations will help to provide data that can eliminate some or all of these barriers.