

Primary Care Collaborative Report - Recommendations and Next Steps

The Collaborative recommends the following:

1. The State should mandate payers to progressively increase primary care spending to reach percentage milestones that eventually account for 12% of total health care spending. The 12% target was set based on the favorable experience of Rhode Island and Oregon as summarized in this report. Primary care spending should constitute an investment of these funds to effectively meet the medical, behavioral, and social determinants of health of Delaware's diverse population of patients.

- a. This increase will occur either through a 1 percentage point increase per year or within 5 years, whichever is faster.
- b. This standard will apply to at least Medicaid, MA, self-insured, fully insured, and state employees' health plans.
- c. Performance will be measured by a standard definition of primary care spending and total medical spending as defined in SB 227.

2. The increase in primary care spending should not be strictly an increase in fee-for-service rates. It should include an upfront investment of resources to build and sustain infrastructure and capacity. It also should include value-based incentive payments that reward for high quality, cost-effective care. It should support a team-based model of primary care across the range of Delaware's primary care settings

- a. Current efforts to increase value-based payments have not been as successful in Delaware as in other states. Increased upfront investment are essential to encourage broader engagement in VBP.
- b. The mandate should encourage greater participation in value-based models:
 - i. Increases in primary care spending should be through prioritizing high-value care through a reasonable VBP model with some downside risk that supports the sustainability of small and large primary care practices in the adoption of a team-based care model.
 - ii. The VBP model should include an increased upfront investment, for instance in the form of a sufficient PMPM, that allow practices to obtain essential resources to support a team-based model of care, which requires resources that are not directly reimbursed, including care managers or health IT.

- iii. The VBP model should represent a net increase in practice revenue, assuming volume and intensity remains stable.
- c. The mandate should encourage innovative measures to stabilize primary care practices in the short as well as the long term:
 - i. Grant programs funded by the payers for the first five years of the mandate that supports practices, especially those in underserved areas that require additional funding to enable them to actively participate in VBP models or to address social determinants that impact health. These grants must work toward necessary structural change to support participation in VBP.
 - ii. Other programs that support the primary care workforce pipeline, such as scholarship or loan repayment programs.

3. It is recognized that increasing investment in primary care does not call for an increase in total cost of health care within Delaware and should be compatible with the State benchmarking process of promoting only sustainable increases in total cost of care. This may result in the need for constraints on increases in other aspects of health care costs.

4. Enforcement of this mandate will occur through legislation or increased regulatory oversight, assigning enforcement authority to a new or existing agency.

- a. Stakeholders in Delaware need a framework that ensures sustained implementation to create a predictable environment.
- b. The implementing authority will ensure the mandate is in alignment with Delaware's benchmarking process and other SIM efforts.
- c. If via regulatory oversight, Delaware will need to create a new office to allow regulatory oversight of plan rates.
 - i. Recognizing the challenge of containing the growth in total cost of care while increasing primary care spending, this regulatory body will assess rates holistically, including specialty and hospital care, with a view to limiting the growth in health care spending and ensuring the sustainability of access across the spectrum of facilities.
 - ii. This regulatory body will also be able to establish a cap on hospital rates to ensure the growth in the total cost of care is limited.

5. The State should convene a representative cross section of stakeholders in 2019 to develop detailed payment models to achieve these recommendations, as well as address increasing and sustaining the primary care workforce.

- a. This group will include:
 - i. Providers
 - ii. Health systems
 - iii. Payers
 - iv. Plan sponsors
 - v. Policymakers