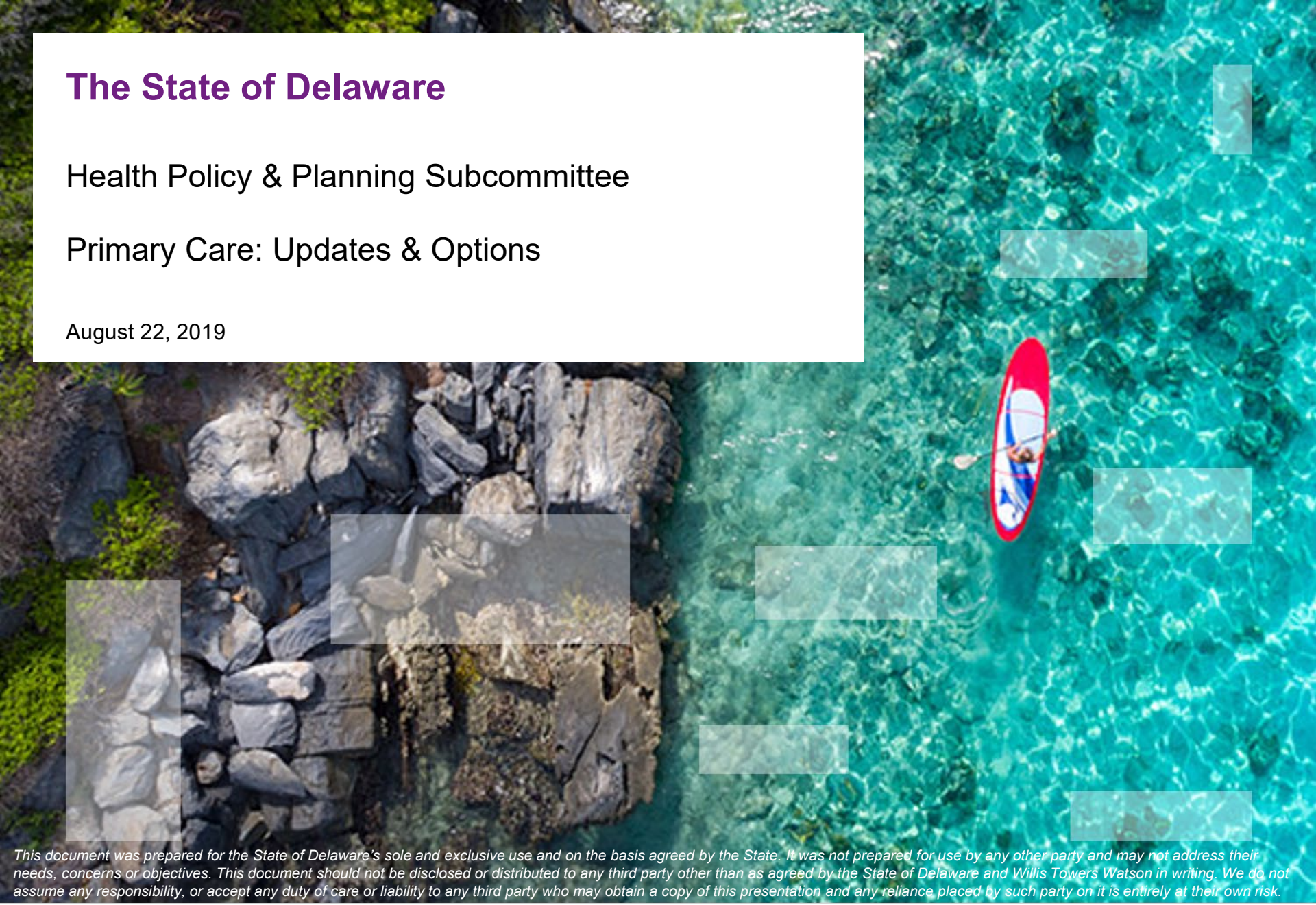
The State of Delaware

Health Policy & Planning Subcommittee

Primary Care: Updates & Options

August 22, 2019



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Today's discussion

- Primary care access in Delaware – defining the issue
- Options for consideration
- Next steps

Primary care access in Delaware is becoming increasingly limited

Defining the issue

- Follows national trend towards shortage of PCPs[1]
  - Demand for health care is increasing through a growing, aging population
  - Older PCPs are retiring
- Findings from 2018 Department of Health and Social Services (DHSS)-commissioned study[2]:
  - Number of full-time equivalent primary care physicians within the state declined about 6% from 2013, and would likely continue as PCPs continue to age and retire
  - Sufficient number of PCPs in Delaware (as defined by Federal Health Resources and Services Administration), though location and specialty (e.g., internal medicine vs. family practice) are probably not optimal
- Findings from early 2019 Primary Care Reform Collaborative study[3] identifying additional factors contributing to the decline in PCP access in Delaware:
  - Fewer medical students choosing to specialize in primary care
  - No medical school in Delaware or state-sponsored incentives to attract and retain recent medical school graduates to practice in Delaware
  - Financial challenges with sustaining an independent PCP practice
- Recent trend toward PCPs moving to a concierge practice model, i.e., additional access fee required for existing patients to continue seeing their PCP
  - SBO has been contacted by numerous State employees with concerns about this trend, including concerns over an inability to pay the access fee
  - SBO has previously shared reporting with the SEBC and its subcommittees on the number of PCP practices that have elected to move to a concierge practice model

1 *"New Findings Confirm Predictions on Physician Shortage" – Association of American Medical Colleges, April 23, 2019. Accessed 8/19/19.*
2 *"Primary Care Physicians in Delaware 2018" – DHSS*; based on self-reported data collected from approximately 950 physicians within or adjacent to Delaware. Accessed 8/16/19.
3 *"Primary Care Collaborative Report 2019" – Primary Care Reform Collaborative. Accessed 8/19/19.*

Primary care access in Delaware is becoming increasingly limited

Defining the issue (continued)

- Industry-standard methods of evaluating PCP access within Aetna and Highmark does not suggest an access issue…
  - Annual GeoAccess results (i.e., industry-standard measure of provider network adequacy) indicate State Group Health plan participants' access to PCPs meet or exceed industry standards[1]
  - Online provider search tools will indicate whether any provider is accepting new patients, which participating providers are required to self-report on an annual basis (i.e., may not capture recent changes such as movement to concierge practice model)

- …but State employees are reporting otherwise
  - SBO has received numerous reports from employees about the difficulty in finding a PCP that accepts new patients or scheduling an appointment without an excessively long waiting time
  - SBO is preparing to launch an employee survey on primary care access and utilization to validate anecdotal observations
    - A demo of this survey will be conducted before the conclusion of today's meeting

1 See appendix for industry standard access parameters and results for Aetna and Highmark.

Primary care access in Delaware is becoming increasingly limited

Defining the issue (continued)

- The State is studying this issue in greater depth through the establishment of the Primary Care Reform Collaborative study group by the passage of Senate Bill 227 in 2018 and Senate Substitute 1 for Senate Bill 116 in 2019
  - Tasked with monitoring primary care utilization and spend in Delaware
  - Established minimum reimbursement levels for services rendered by primary care providers
  - Mandated reporting by insurers to the Delaware Health Care Claims Database
- This work will continue to play out over the next several years; in the meantime, and without further action taken by the SEBC, State Group Health plan participants will continue to experience issues with accessing primary care within Delaware

Options for consideration

- There are several options that the State, acting in its capacity as plan sponsor for the Group Health Insurance Program (GHIP or “State Group Health”), could consider pursuing to expand access to primary care
- The following options are ordered based on relative ease of implementation only
- Cost/savings impact and implementation timeline for each option were not factored into this order and will need to be further evaluated for any option(s) of interest to the SEBC and this subcommittee

1. Subsidize/contribute to the cost of PCP concierge fees for State Group Health plan participants
2. Directly contract with regional PCP practices for preferential access for State Group Health plan participants
3. Enhance telemedicine offerings via advanced technology solutions
4. Contract with a third-party vendor to add primary care provider options in Delaware

- The following pages explore each of these options in more detail

Subcommittee members are encouraged to share thoughts reactions to each of the options listed above during the course of the subsequent discussion

Option 1: Subsidize/contribute to cost of concierge fees

- The State could choose to pay a portion of PCP concierge fees on behalf of plan participants
- Range of payment options includes providing members with a partial subsidy to offset a portion of these fees, up to fully covering the entire amount
  - Could be very expensive; if entire amount covered for 30% of all members, estimated incremental annual cost to the State could range $60.7m - $68.3m[1]

Options for administering	Option 1: Define access fees as a covered expense under the plan	Option 2: Reimburse participants for access fees outside of the plan
Considerations	▪ Plan sponsor has discretion to design a structure of benefits that fulfills organization health care needs and objectives ▪ Plan fiduciary has responsibility to adjudicate what is considered a covered expense (which could include a copay/coinsurance/member cost sharing) under the group health plan ▪ Plans typically cover "medically necessary" services provided by a licensed physician – not typical for a plan to cover access fees, but plan administrator has flexibility to determine what benefits are covered under the plan	▪ Could be provided as a wage increase to any employee who must pay an access fee to continue seeing their current PCP ▪ These wage increases would be considered gross income; would be no guarantee that the employee would be using the wage increase to pay the concierge access fee ▪ Operationally, would be similar to any other wage increase as a payment coordinated through the State's payroll
Areas for further study ***(not exhaustive list)***	▪ DOJ input on "medical necessity" of access fees, whether SEBC has discretion to add coverage of access fees under the group health plan ▪ Whether the GHIP medical TPAs' possess the administrative ability to expand coverage for access fees, including how a "claim" for these fees would be submitted, processed and paid	▪ DOJ input on whether this process conflicts with any provisions related to State employee wages within the Delaware Code ▪ Definition of employees eligible for this benefit –since occurring outside of the State's cafeteria plan, GHIP eligibility rules wouldn't automatically apply ▪ How administration process would be defined and managed; evaluate availability of support personnel

1 Estimated incremental cost based on 126,500 enrolled members, 30% of members have PCPs with concierge access fees, range of access fees = $1,600 - $1,800 per member per year.

Option 2: Directly contract with regional PCP practices

- The State could establish preferred partnerships with selected PCP practices to provide State Group Health plan participants with preferred access
  - Same day and/or next day appointments for sick visits
  - Increased access to PCPs for preventive care (e.g., appointment within 7-10 days)
- Could be combined with Option 1 by having the State pay select PCP practices an access fee in order to secure preferred access for State Group Health plan participants
  - Would remove legal and administrative considerations associated with paying these fees through the medical plan or paying a wage increase to employees
  - Would likely require a formal procurement process
- Considerations for further study include:
  - Would the major terms of the partnership include anything other than preferred access to a selected PCP practice in exchange for steerage to that practice?
  - Would the State establish provider quality standards as a pre-requisite for direct contracting? If so, what would those standards and threshold metrics look like?
  - Would it matter whether the selected PCP practices were independently owned and operated vs. owned by a hospital system?
  - Is there sufficient presence of PCP practices across all three counties to do this? Would there be a need to focus efforts on one county as a starting point?
  - What if a selected PCP practice doesn't participate in the provider network of both Aetna and Highmark?
  - What State resources would be available to support this effort?

Option 3: Enhance telemedicine via advanced technology solutions

- Telemedicine technology extends beyond interacting with a provider via a tablet or smartphone
- Several technology companies have developed internet-enabled kiosks with touchscreen video interfaces and built-in medical devices that broaden the capabilities of a traditional telemedicine visit
  - Linked with national networks of physicians available for telehealth consultations
- Option would be more cost effective for the State than building a primary care medical clinic for State Group Health plan participants
- Considerations for further study include:
  - Current telemedicine utilization among State Group Health plan participants is low, but consistent with typical usage rates among commercially insured groups, i.e., about 2%-3% of members have participated in a telemedicine visit
    - Would a greater number of plan participants use enhanced telemedicine with this sort of advanced technology?
  - A formal procurement process would be required
  - Where would these kiosks be located to achieve the greatest impact and utilization among the GHIP population? Would they be placed exclusively on State property or would the State rent space in other locations (i.e., retail, commercial) to facilitate better access after business hours and for dependents and retirees?
  - How would plan participants' use of these kiosks be coordinated with the medical plan?

Option 4: Contract with third-party vendor to add primary care provider options in Delaware

- Could be operationalized in several ways:
  - Contract with a third-party vendor that builds primary care clinics on behalf of employers for use by that employer's population (either shared with other employers or exclusively for that employer)
  - Contract with a third-party vendor that creates primary care centers of excellence by recruiting PCPs and/or physician extenders[1] to a given market
- The SEBC previously considered the opportunity to build a primary care clinic in 2017; a request for information (RFI) was issued to provide the SEBC with an understanding of the vendor marketplace
  - Eleven (11) employer-sponsored clinic vendors responded to the RFI
  - Results of the RFI were presented to the SEBC on June 26, 2017[1]
  - Estimated costs ranged[2] from $4.3m to $22.4m for start-up and operating expenses in the first three years; range excludes build-out costs
- The SEBC opted not to take further action based on the results of the RFI, based on the Committee's desire to focus on other higher priority initiatives in progress and/or under discussion at that time

1 Summary of RFI results presented to the SEBC: https://dhr.delaware.gov/benefits/sebc/documents/2017/0626-rfi-analysis.pdf
2 Factors contributing to cost variability: scope of services, staffing, equipment/IT costs, vendor-specific administrative fee for corporate oversight and profit.

Option 4: Contract with third-party vendor to add primary care provider options in Delaware (continued)

- The State of New Jersey has adopted employer-sponsored health care in partnership with R-Health
  - R-Health owns and operates 7 primary care clinics throughout the State of New Jersey
  - State health plan participants (employees, spouses and other dependents) are eligible to use the clinics
  - Pediatricians on staff at select locations
  - No member out-of-pocket cost for using the clinics (except for participants in New Jersey's HSA plan prior to meeting their deductible)
  - Unlimited access to primary care physicians, with same-day and next-day appointments available, plus evening and weekend hours
  - Longer appointment times with clinic providers vs. typical length of community provider visit
  - Standard office practice is to minimize time in waiting room, with little to no wait
  - 24/7 access to a provider via telephone and mobile app
  - Services include lab draws, limited pre-packaged medications for acute conditions, and immunizations

Option 4: Contract with third-party vendor to add primary care provider options in Delaware (continued)

- If there is a renewed interest in pursuing this topic further, there are several open questions that would need resolution prior to moving forward with further evaluation:
  - What would be the operating parameters, such as the eligible population, scope of clinical services, staffing preferences (MD vs. NP/PA[1]), location(s), hours of operation, and member copayment (if any)?
  - If the State were to contract with a third-party vendor that builds primary care clinics on behalf of employers for exclusive use by that employer's population, further questions would include:
    - How would this be funded? Two options:
      - State Legislature appropriates funding for a clinic
      - State Legislature grants SEBC the authority to use GHIP funds to finance health center start-up and operating costs
    - Which State agency (or agencies) would be responsible for oversight of the clinic vendor? SEBC, DHR, OMB/Facilities Management, etc.

1 NP = Nurse Practitioner, PA = Physician's Assistant

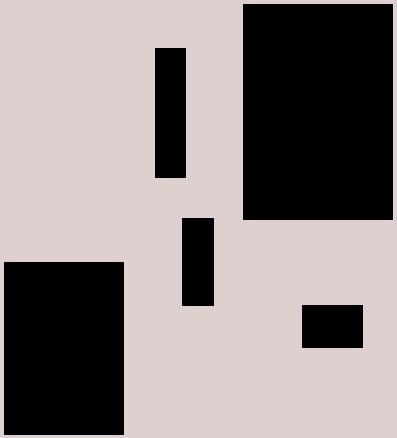
Next steps

- Health Policy & Planning subcommittee to provide any additional thoughts or feedback on the options for expanding access to primary care for State Group Health plan participants to the SBO by September 4, 2019

- Further study would be required for any of these options to fully assess feasibility, timeline and potential cost; continue discussions in future subcommittee meetings that would address questions such as:
  - What would be the goals and success measures?
  - What are the expected costs and savings? Would the State see a return on its investment?
  - How long would this option take to implement?

- Depending on progress made with this subcommittee and related work conducted by the Primary Care Reform Collaborative, work towards goal of formulating recommendations on options for expanding access to primary care for presentation to the SEBC before the end of the 2019 calendar year

Appendix



Medical plan network access for primary care providers[1]

- Network access analysis was developed by providing Aetna and Highmark with the State's total active enrolled population by state and 5 digit zip code; each vendor completed the analysis based on the following network access standards

Provider Type	Urban Zip Codes	Suburban Zip Codes	Rural Zip Codes
PCPs	2 providers within 5 miles	2 providers within 10 miles	2 providers within 20 miles
OB/GYNs	2 providers within 5 miles	2 providers within 10 miles	2 providers within 20 miles
Urgent Care Centers	1 providers within 5 miles	1 providers within 10 miles	1 providers within 20 miles

- Results provide a side-by-side vendor comparison of the percentage of the State of Delaware's enrolled population who would have access to a network provider based on the specified criteria
- They also illustrate the average distance (in miles) for those employees without desired access

Provider Type	Aetna	Highmark DE
Primary Care Physicians (PCPs)		
% of Employees with Desired Access	100%	100.0%
# of Employees without Desired Access	0	1
Average Distance for those without Desired Access	0 mi.	40.3 mi.
OB/GYNs		
% of Employees with Desired Access	99.9%	99.8%
# of Employees without Desired Access	6	52
Average Distance for those without Desired Access	26.1 mi.	21.9 mi.
Urgent Care Centers		
% of Employees with Desired Access	99.7%	99.6%
# of Employees without Desired Access	14	112
Average Distance for those without Desired Access	27 mi.	39 mi.

1 Based on GeoAccess PPO network information provided by vendors on 1/10/2018