

# Measuring Primary Healthcare Spending

A Technical Brief for the AHRQ Effective Healthcare Program

<https://effectivehealthcare.ahrq.gov/products/primary-healthcare-spending/tech-brief>

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# Disclaimer

This report is based on research conducted by the Pacific Northwest Evidence-based Practice Center (EPC) under contract to the Agency for Healthcare Research and Quality (AHRQ), Rockville, MD (Contract No. 75Q80120D00006/75Q80123F32016). The findings and conclusions in this document are those of the authors, who are responsible for its contents; the findings and conclusions do not necessarily represent the views of AHRQ. Therefore, no statement in this report should be construed as an official position of AHRQ or of the U.S. Department of Health and Human Services.

**None of the investigators have any affiliations or financial involvement that conflicts with the material presented in this report.**

# Purpose

Identify the primary care spending estimates in the published and gray literature.

Describe the data sources and methods used to produce these estimates.

Where is there consensus among methods?

How might a standardized approach to estimating primary care spending be achieved?



**The PC Standing Committee received and will address the following questions from federal leaders:**

How is primary care spending tracked?

How much is spending on primary care?

Is anyone setting a standard for state spending estimates? Is there a metric that could be used?



# How is primary care spending tracked?

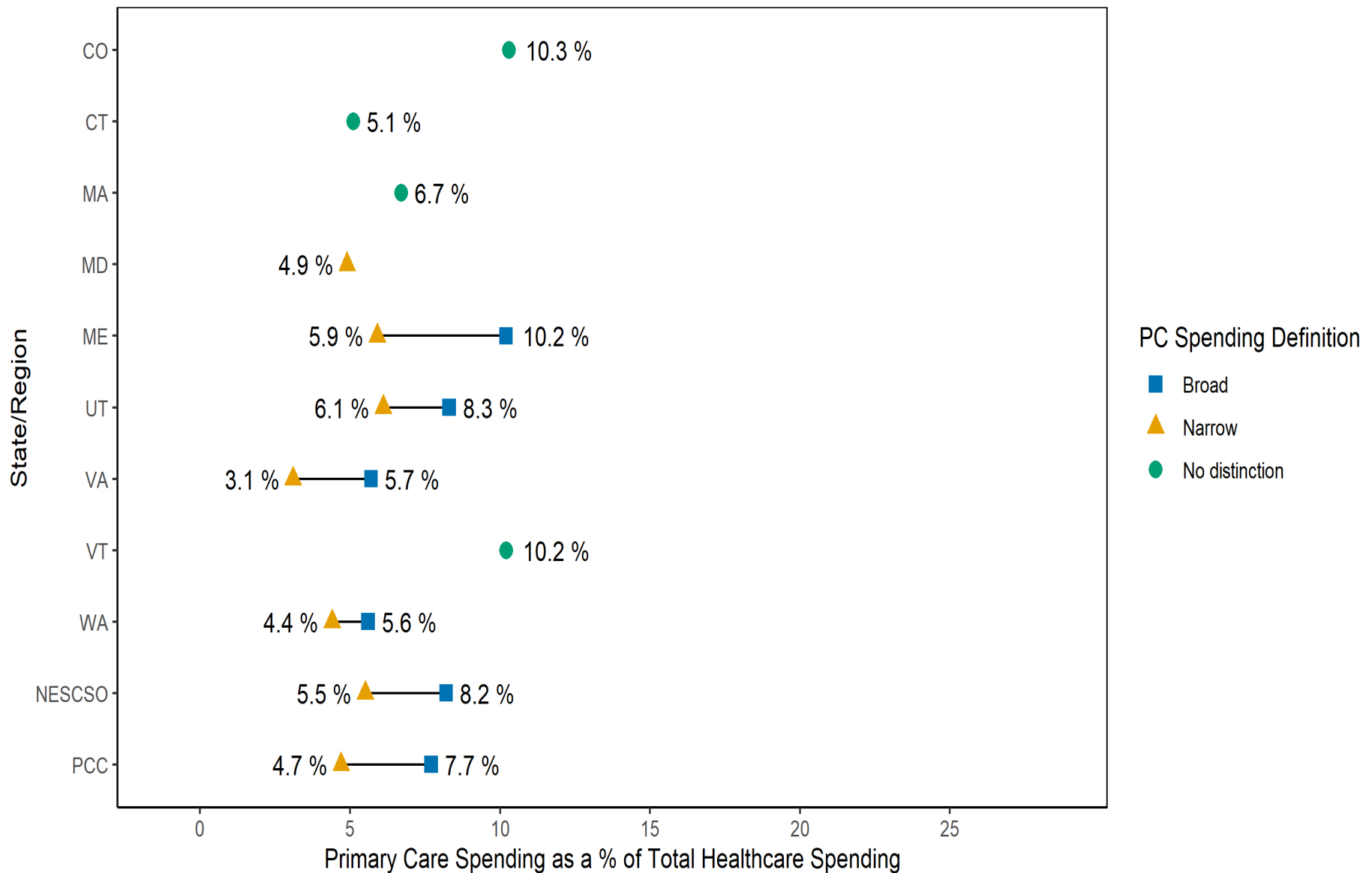
- 67 Primary Care Estimates
  - 42 estimates produced by 11 State Governments
  - 2 estimates published by the VHA
  - 23 estimates published by researchers or other groups
- 13 States are developing or refining estimates
  - Including RI and CA, produced by non-governmental organizations
  - Some, but not all States are producing yearly estimates
    - States have produced 1 to 8 estimates
- 48 estimates are based on claims data
- 32 estimates included some type of non-claims data
- The VHA uses a unique data source
- 17 estimates, included in 5 reports, were based on Medical Expenditures Panel Survey (MEPS) data





How much is spent on primary care?

# Primary Care Spending Estimates : All Payer Types







How did we get here?



# Components of an Estimate



## Primary Care Spending

Primary Care Definition (Who, What, Where)  
Payers (Types of Patients and Insurers)  
Types of Payments

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## Total Healthcare Spending

(Necessary if estimate is % of total)

# Defining Primary Care

## Primary Care



Providers (Who)

+



Services (What)

+



Locations (Where)

# Primary Care Definitions: Narrow and Broad

- **Narrow definitions:** identify a smaller set of primary care clinicians and/or a specific set of services.
- **Broad definitions:** may add clinicians to those defined in narrow definitions and may include a longer list of services or all the services provided by included clinicians.



# Primary care clinicians (who)

- **Common Primary Care Provider Codes**
  - family and general practice
  - internal medicine
  - pediatric physicians
  - some nurse practitioners and physicians' assistants
- **Common Primary Care Institutional Provider Codes**
  - FQHCs
  - primary care clinics
  - rural health clinics
- **Less Common – Expanded Set of Provider Codes**
  - OB/GYN
  - adolescent medicine
  - primary care physicians who practice hospice and palliative care
  - community health and school-based NPs
  - clinical nurse specialists
  - registered nurses
  - rural and critical access hospitals
- **Even Less Common**
  - include one or more of the many types of behavioral health clinicians

# Primary care clinicians (who)

States cannot produce a list of primary care clinicians.

Why does this matter?

- Using codes to define primary care can be inaccurate, and this problem might be worsening given current trends in the healthcare workforce.
- More than half of new internal medicine physicians now subspecialize.
  - One-third work as hospitalists.
- NPs and PAs are increasingly working outside of primary care.

# Primary Care Services (What)

- Full-scope, comprehensive primary care includes a wide range of services and procedures
- Unlike proceduralists, primary care clinicians, may use a many different CPT /HCPCS codes
- Common services used across estimates include:  
office visits, home visits, preventive visits, immunization administration, health risk assessment, screening and counseling, chronic care management services, advanced care planning, evaluation, and management services, domiciliary, rest home and multidisciplinary care planning, consultation, telephone and internet care, and prolonged services
- Widest variations observed in what procedure and vaccination codes are included in estimates



# Setting of Care (Where)

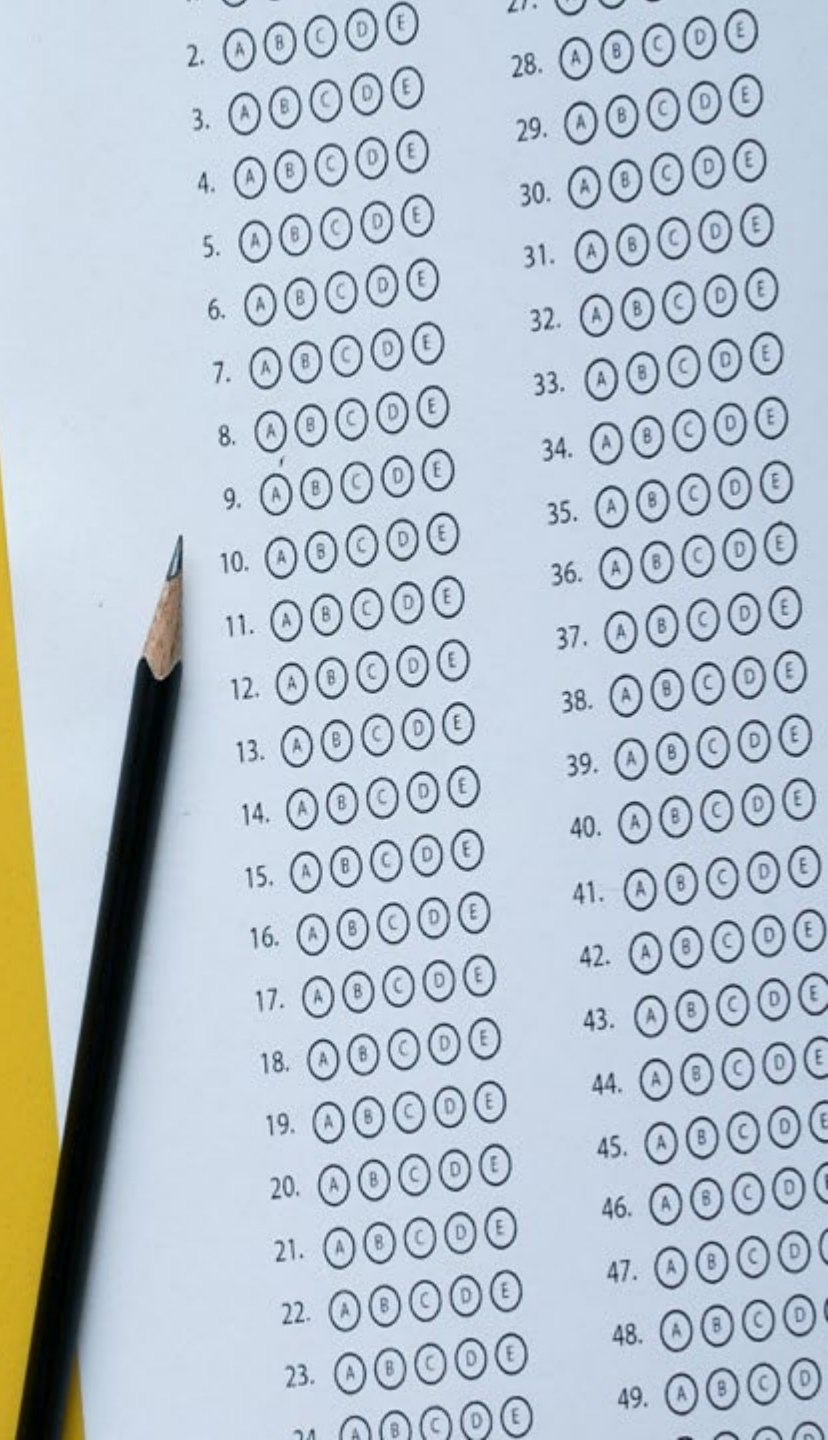
- Most estimates took steps to exclude care delivered by clinicians in an ED or hospital.
  - In some cases, these clinicians are hospitalists.
- There was variation in how this distinction was established, examples:
  - Use place of service codes.
  - Define inpatient primary care clinicians are any clinician receiving  $\geq 90\%$  of revenues in the inpatient setting .
- Some States included hospital-based obstetrics and newborn care in primary care.

# Non-Claims Data in State Estimates

- **Examples of non-claims payments:** Shared savings and losses, incentive programs, capitation payments, case management fees, performance-based payments, supports for infrastructure, and general (community teams), and specific (COVID-19 support) program payments are common types of non-claims payments included in these data
- The Alternative Payment Model (APM) Framework created by the **Health Care Payment Learning and Action Network** (HCPLAN) is used by some States to categorize their non-claims payments
- States differ in how long they have been including non-claims data in their estimates and what is included also varies

Is anyone setting  
a standard for  
state spending  
estimates?

Is there a metric  
that could be  
use?





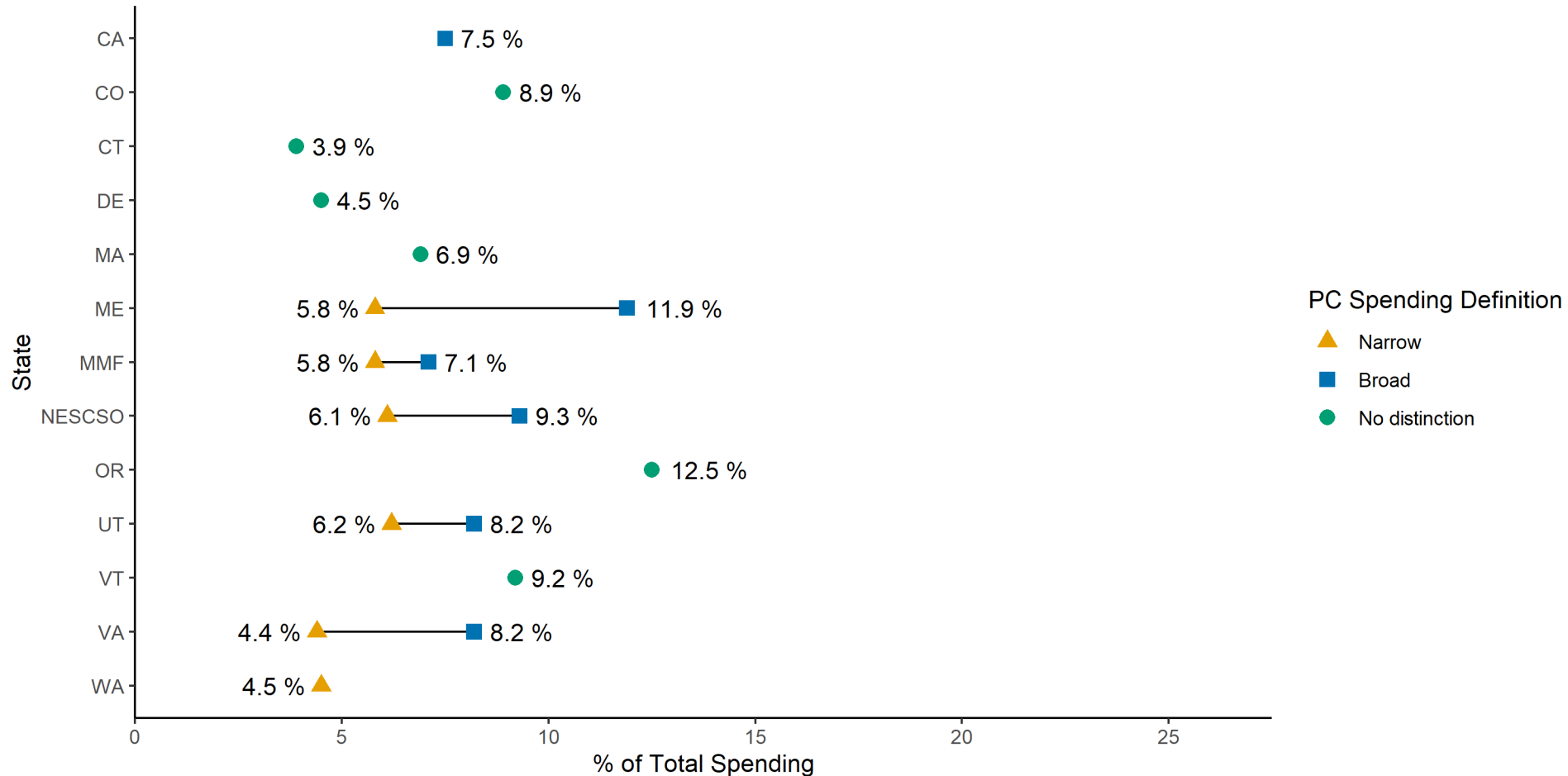
# Emerging Consensus Toward a Standard Preferred Method

- Experts agree that a national standard for primary care spending would provide a common way of looking at spending across all 50 States.
- A simple way of meaningfully quantifying primary care spending is needed.
- States are establishing expectations or requirements related to measuring and increasing primary care spending. Yet, there is little uniformity in how they are doing this.
- **Need an auxiliary operationalization from State's measures.**

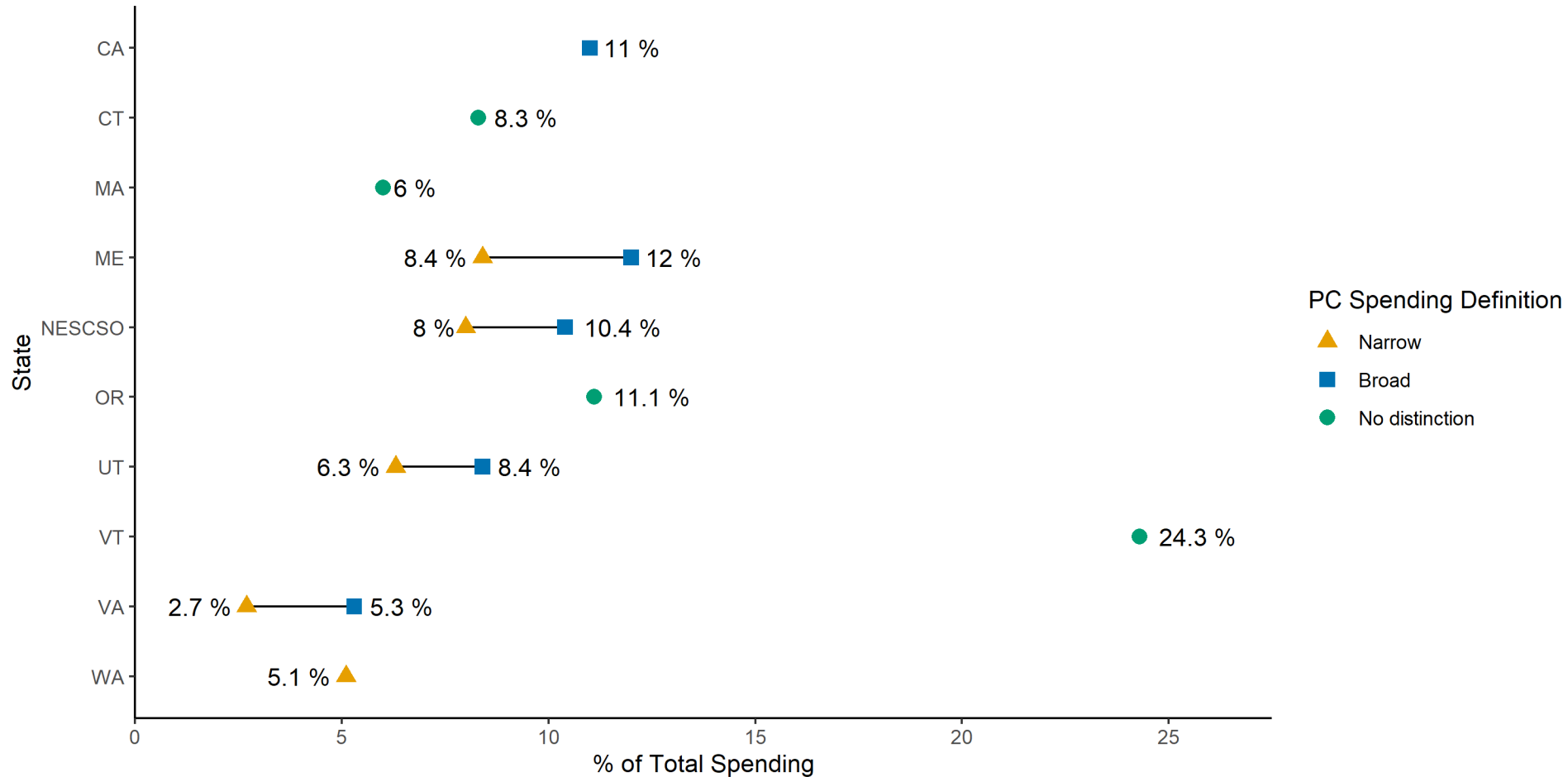


# Additional Slides

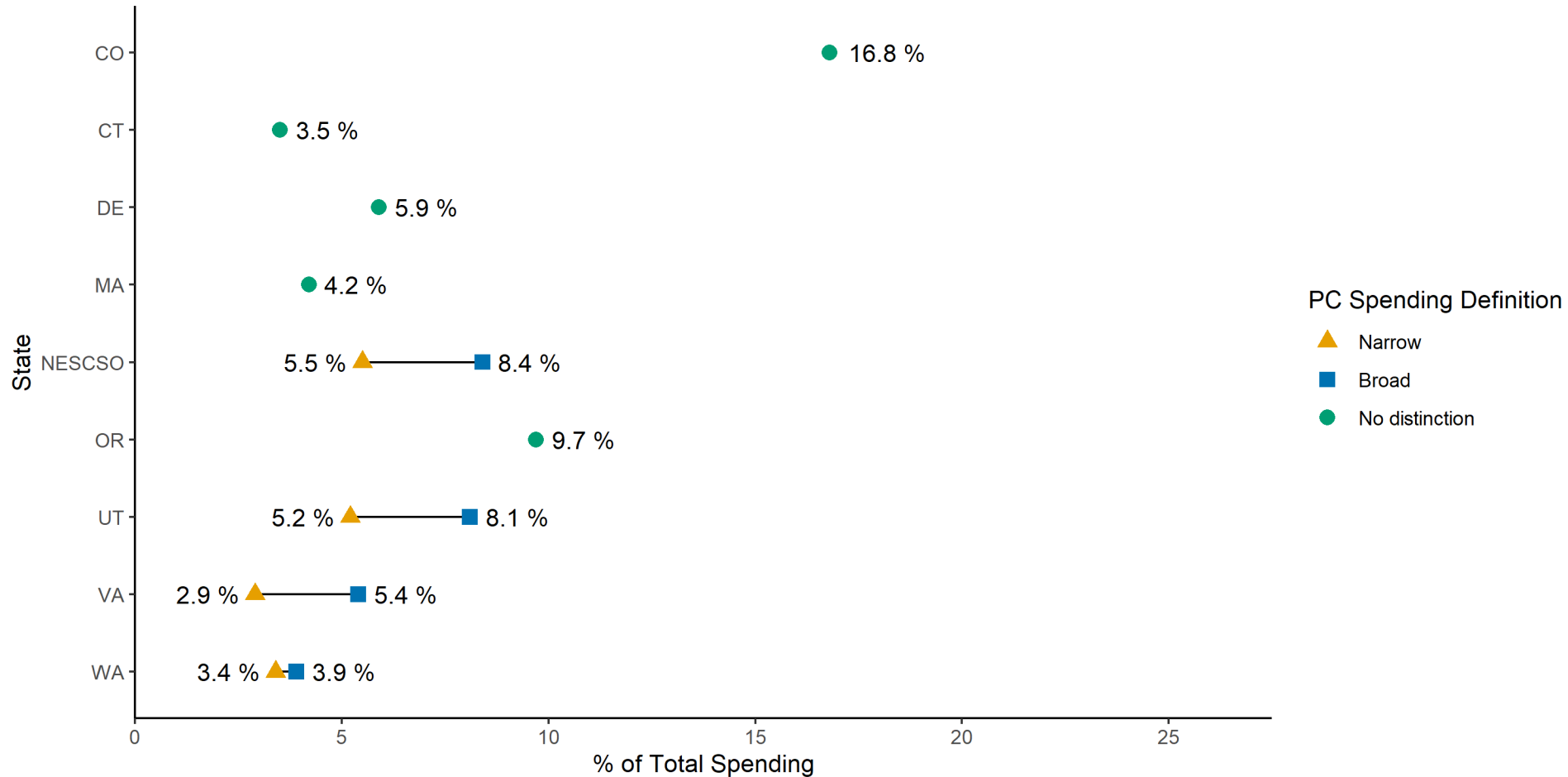
# Primary Care Spending Estimates: Commercial Payers



# Primary Care Spending Estimates: Medicaid



# Primary Care Spending Estimates: MA Plans





# Primary Care Spending Estimates: Medicare FFS

