



Implementing High-Quality Primary Care Webinar Series:

Reforming Payment

Committee Members

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Statement of Task

NASEM committee will examine the current state of primary care in the United States and **develop an implementation plan** to build upon the recommendations from the 1996 IOM report, *Primary Care: America's Health in a New Era*, **to strengthen primary care services** in the United States, especially for underserved populations, and **to inform primary care systems** around the world.

An Updated Definition of Primary Care

High-quality primary care is the provision of whole-person, integrated, accessible, and equitable health care by interprofessional teams that are accountable for addressing the majority of an individual's health and wellness needs across settings and through sustained relationships with patients, families, and communities.

Primary Care as a Common Good

- Primary care has high societal value among health care services yet is in a precarious status
- Requires public policy for oversight and monitoring
- Needs strong advocacy, organized leadership, and public awareness

5 Objectives for Achieving High-Quality Primary Care

1

PAYMENT

Pay for primary care teams to care for people, not doctors to deliver services.

2

ACCESS

Ensure that high-quality primary care is available to every individual and family in every community.

3

WORKFORCE

Train primary care teams where people live and work.

4

DIGITAL HEALTH

Design information technology that serves the patient, family, and interprofessional care team.

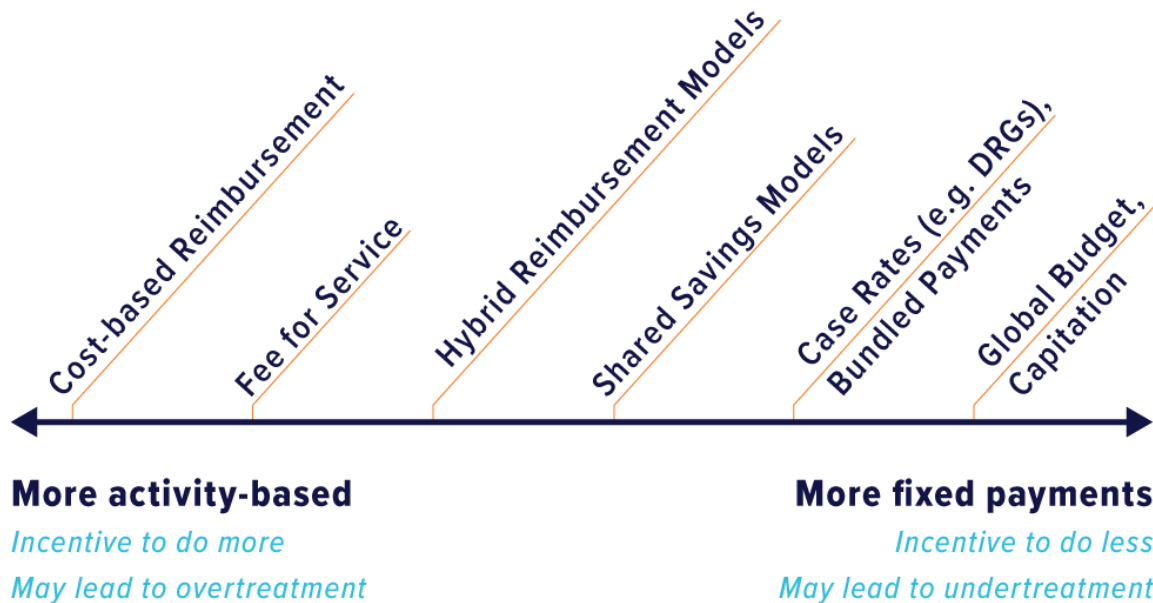
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ACCOUNTABILITY

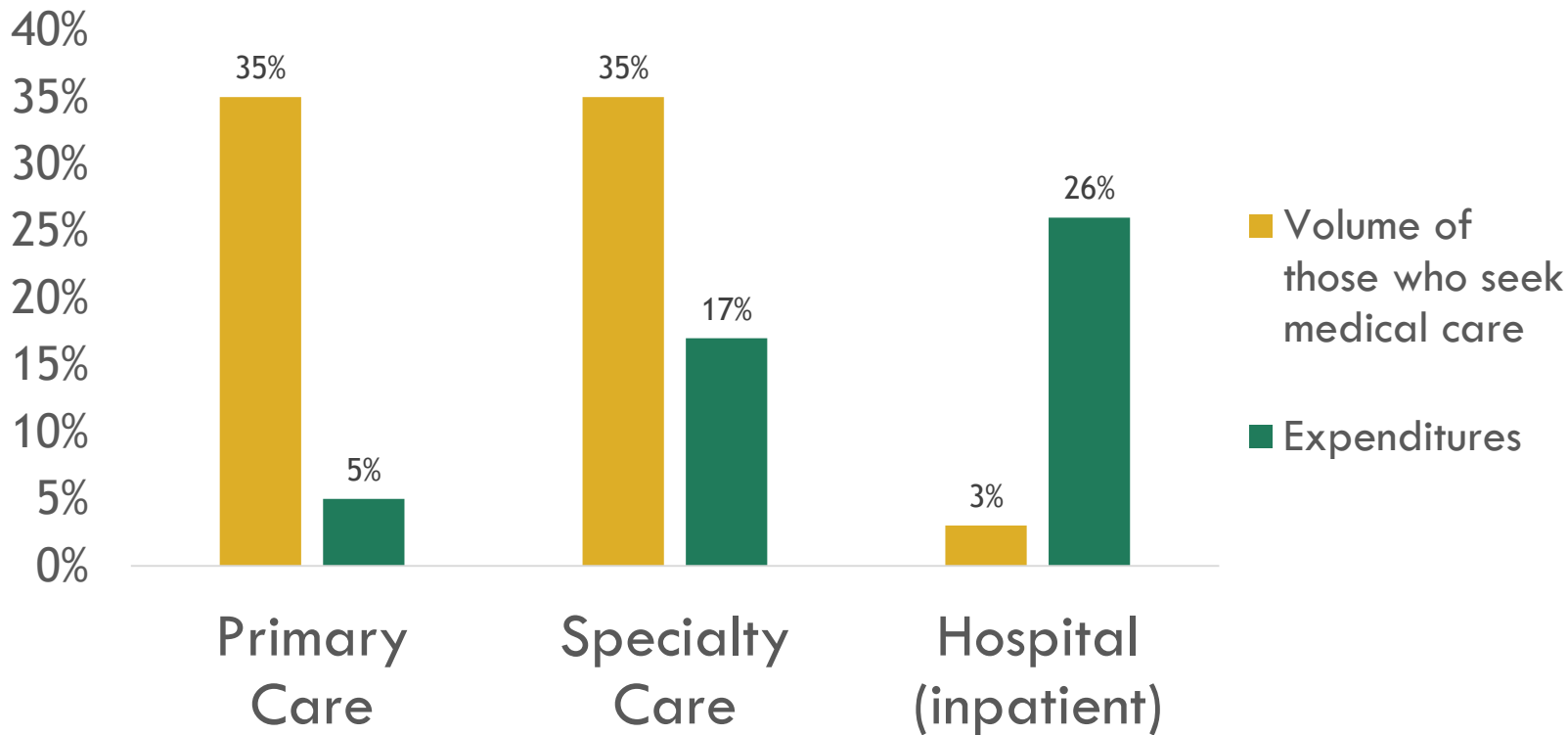
Ensure that high-quality primary care is implemented in the United States.

Spectrum of Physician Payment Models

Activity-based vs fixed payment



Visits vs Expenditures in Medical Care



Primary Care Payment Today

- Nearly 95% of physician office visits use FFS
- COVID-19 pandemic exacerbated financial pressures on practices
- Share of total health care spending on primary care is decreasing in a majority of states and overall in the U.S.
- OECD countries devote on average nearly 50% more to primary care than the U.S. of total health care spending



PAYMENT

**Pay for primary care
teams to care for
people, not doctors
to deliver services.**

Action 1.1: Payers should evaluate and disseminate payment models based on their ability to promote the delivery of high-quality primary care, not short-term cost savings.

Action 1.2: Payers using fee-for-service models for primary care should shift toward hybrid reimbursement models, making them the default over time. For risk-bearing contracts, payers should ensure that sufficient resources and incentives flow to primary care.

Action 1.3: CMS should increase overall portion of health care spending for primary care by improving Medicare fee schedule and restoring the RUC to advisory nature.

Action 1.4: States should facilitate multi-payer collaboration and increase the portion of health care spending for primary care.

Paying for Primary Care Teams to Care for People

Full Fee-for-service:

- Phase out
- Revalued E&M codes in PFS



Risk Adjusted Capitation + FFS + patient assignment:

- Default payment for primary care
- Revalued E&M codes
- Resources for transformation



Risk Bearing Contracts with Focus on Population Health:

- Sufficient, higher, prospective resources and incentives for primary care

Download the report and view more resources at:
[Nationalacademies.org/primarycare](https://nationalacademies.org/primarycare)

Questions? E-mail primarycare@nas.edu