Advanced Primary Care

Is it time to play offense with your health benefits plan?

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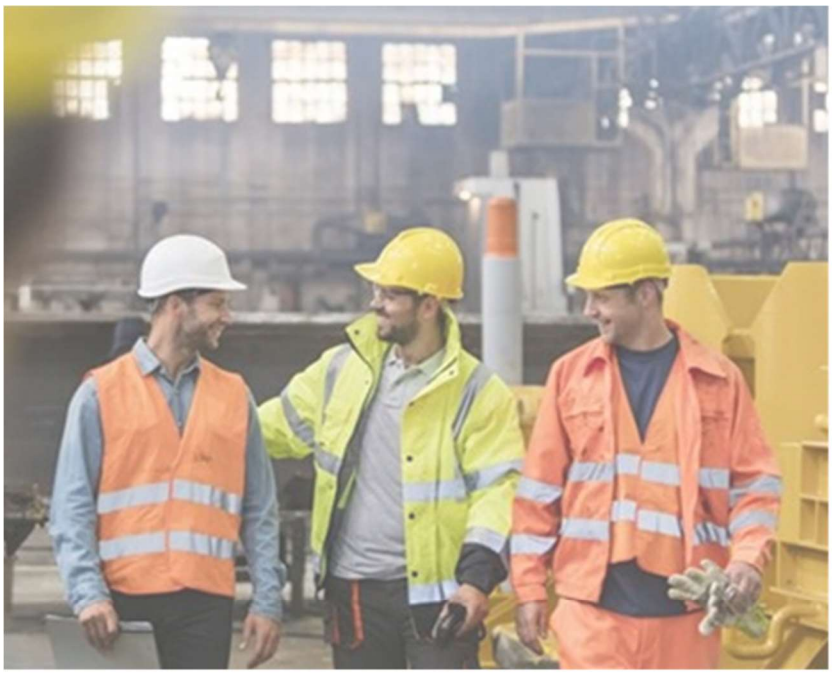
CAPTURE THE VALUE

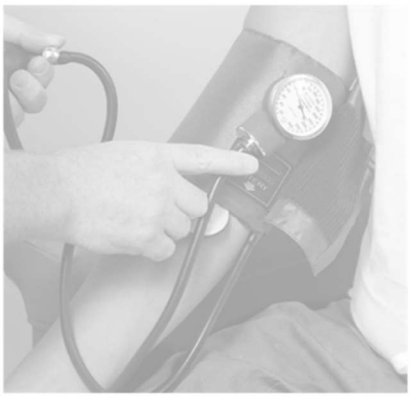
Various forms of primary care, some better than others, are being marketed to small and larger employers promising to save them money.

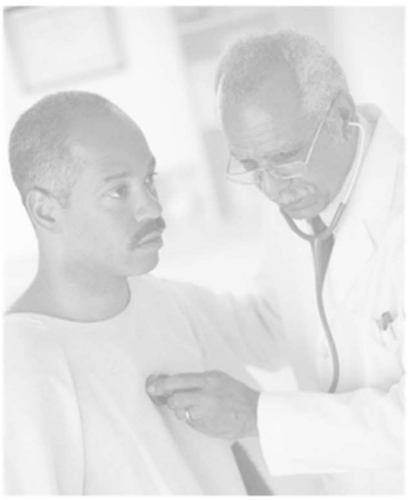
Employers need an objective, repeatable, consistent program to ensure they are initially obtaining, and over time maintaining, the robust capabilities and ROI that truly Advanced Primary Care can deliver.

EXECUTIVE SUMMARY

Primary Care is the foundation of healthcare and as such it drives both health and total cost of health care. High quality Primary Care, or Advanced Primary Care, when rigorously defined and implemented, is the model of general practice that has been shown to deliver improved care for employees while generating significant savings in total cost of care for employers. Employers who want to control runaway costs of health benefits should work with partners to find, purchase, and foster Advanced Primary Care. This paper provides a description of Advanced Primary Care, along with a clear implementation roadmap capable of generating between 5 and 15 percent savings in employer total healthcare costs. Since healthcare is presumably not the core business of most companies, consultants and TPAs are best positioned to incorporate Advanced Primary Care in their products, but self-insured employers can also add Advanced Primary Care to their health benefits on their own. We do however recommend that both TPAs and employers work with knowledgeable and objective resources to ensure successful deployment.







EMPLOYER SPONSORED HEALTHCARE

Warren Buffett famously stated that "medical costs are the tapeworm of American economic competitiveness". According to a survey[i] of large employers, 87 percent of respondents say that within the next five years the cost of providing health benefits will become unsustainable. Pushing healthcare costs to employees via higher premium share and higher deductibles is not a sustainable solution either, particularly in a tight labor market.

Healthcare is no longer just a human resources issue but a business survival issue. Healthcare spending is poised to surpass 18% of GDP this year and is displacing other societal and business priorities. In addition, the COVID pandemic forced employers to suspend operations, manage social distancing/hybrid work arrangements, as well as implement new recruiting and talent retention strategies. Employers are also addressing policies and costs related to mandatory vaccines and testing. As major purchasers of healthcare, U.S. employers should leverage the business opportunities presented by this disruptive moment and move from reactive and largely defensive healthcare strategies to bold offense. By addressing the well documented deficiencies in the delivery of primary care, employers can meet both short-term needs highlighted by COVID and long-term health plan cost and quality goals. **Self-insured employers especially have the flexibility and fiduciary responsibility to implement primary care improvement strategies to both mitigate the effects of a pandemic on their people and their operations and at the same time deliver better, more affordable care.**

This paper outlines a measurable, systematic program along with pragmatic next steps for employers to obtain effective primary care services within their communities and achieve an overall positive return on investment (ROI). The paper addresses three key questions:

1. Does effective Primary Care save money?
2. What is effective Primary Care?
3. How do I get effective Primary Care?

PRIMARY CARE IS FOUNDATIONAL TO HEALTHCARE

Section Topics:

- ✓ Primary Care can impact overall healthcare costs
- ✓ Savvy employers are addressing this opportunity
- ✓ All businesses, small & large should evaluate this strategy

There are numerous studies[ii] linking robust Primary Care capabilities to lower healthcare spending, better clinical outcomes, and even lower mortality rates. Primary Care today represents only 5 percent of total healthcare costs, but it delivers 37 percent of all healthcare services. Unlike other health benefit and cost containment strategies, **Primary Care has the potential to control both overall price and appropriate utilization of all health services.**

Per Ellen Kelsay, Chief Strategy Officer, National Business Group on Health, in their 2020 Large Employer's Healthcare Strategy and Plan Design Survey, "*While Primary Care doesn't account for a large portion of U.S. health care costs, it influences nearly 90 percent of overall cost and quality through referrals and decisions around testing, procedures and hospitalizations*." However, the Primary Care that is generally available today does not and will not result in significant cost or quality improvement.

Figure 1: Stories of inadequate Primary Care

1

Consider Tom. Tom has Hypertension. He is usually well controlled on a home regimen of blood pressure medication. Tom ran out of his medicine and because his PCP was so busy, he had to go to a walk-in clinic near his home to ask for a refill. On arrival, his blood pressure was checked and found to the 190/100. The walk-in clinic has guidelines that state any diastolic pressure of 100 or greater must be sent to the ER. Tom goes to the ER and ultimately receives a bill from both the walk-in clinic and the ER for something that could have been taken care of with a simple office visit or even a phone call.

2

Sara has a painful swollen area under her left armpit. She goes to her PCP who notes an area of fluctuant swelling with pustule consistent with an abscess on exam, but because he is not comfortable with performing an incision and drainage (I and D), he discharges Sara with an antibiotic only and tells her to return if worsening. Two days later, Sara is hurting much worse and the area has grown. She is now running a low-grade fever. When she returns to the PCP, he realizes she will require I and D and sends her to the local urgent care. Frustrated, Sara decides to wait one more day before paying for a third doctor's visit. When she checks in to the Urgent Care the next day, her fever is 102 and her blood pressure is borderline low. The urgent care sends Sara to the ER for IV antibiotics and possible admission.

3

Fred is a 45-year-old triathlete. His PCP has followed him closely for years and knows Fred has an old left collarbone fracture that flares with pain occasionally following certain activities or too much swimming. Fred is known to have a normal ECG and cholesterol and has no risk factors for heart disease. His presentation is always the same for this pain. His doctor will give him a steroid shot and the pain goes away. Fred's pain started getting worse on Thursday evening, but when Fred called for an appt with his PCP the next day, he found that his doctor was off on Friday. He went to a local urgent care, who sent him to the ER to rule out heart attack because he was 45 with L sided chest pain, despite this being a common, recurrent episode for him, that his physician knows well and is comfortable treating as an outpatient.

Primary Care done properly, on the other hand, can have a major impact on overall healthcare costs, with approximately **5 to 15 percent savings** on the total cost of care, coupled with higher quality of care and better patient experience. This observation is backed by the National Academies of Sciences, Engineering, and Medicine (NASEM) in its recent study[iii] "Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care".

Historically most Primary Care medical practices were independently owned and operated by physicians. Over the last few decades an increasing number of Primary Care practices were acquired by hospitals and very large health systems. This consolidation trend is accompanied by large increases in total costs of care. In addition, major companies, private equity, and venture capital investors are now focused on new models of Primary Care, such as onsite/near-site clinics, retail and urgent care, wellness, telehealth, and virtual first/hybrid organizations. Since corporate Primary Care emphasizes different aspects of care, and individual Primary Care practices vary greatly in their operation models, there is considerable variability in patient care. As a result, employers can expect significant variation in quality, employee satisfaction, outcomes as well as related short-term and long-term costs. With the current market noise and the multitude of companies seeking to make money from Primary Care, how can self-insured employers, large or small, position themselves to realize the full potential of high-quality Primary Care?

ADVANCED PRIMARY CARE (APC)

Section Topics:

- ✓ Employers understand there is suppliers/partners quality variation
- ✓ You get what you pay for
- ✓ A program to pay for what you need

For the last several decades various stakeholders inside the healthcare industry, including "non-profit" organizations, State and Federal programs, have been attempting to define effective Primary Care and "transform" medical practices. Unfortunately, despite wide scale implementations the overall costs of healthcare continued to rise unabated while both quality of care and patient experience remained lackluster. The reason these national programs failed to generate meaningful change in Primary Care is simple: All healthcare is local. A one-size-fits-all program cannot support the variations discussed above, nor can it incorporate the immense variability in geography, demography, and physician practice patterns. Thus rigid scalability goals rendered most of these programs little more than a bureaucratic exercise in checking boxes. It is also worth noting that none of these programs were formulated with the specific needs of employers and employees in mind.

What has been missing until now is a unified instrument to specify, evaluate, monitor, and encourage high-performing Primary Care. After a decade of working on public and private initiatives, BizMed developed an Advanced Primary Care (APC) specification, the Value Based Capability Model (VBCM), based on the Capability Maturity Model[iv] so any employer can evaluate and move toward APC services. VBCM is by design flexible enough to accommodate the variability factors discussed above, and at the same time specific enough to ensure valuable outcomes to all parties involved – employers, employees, physicians.

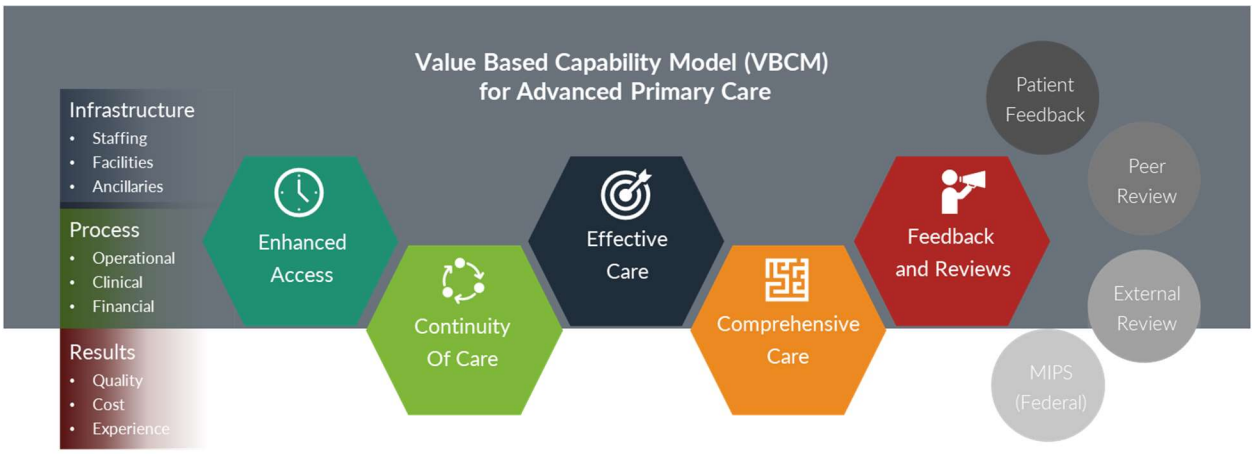
Around the same time, the National Alliance of Healthcare Purchaser Coalitions (National Alliance) issued a report[v] to "define and assess the key attributes of Primary Care that drive improved overall healthcare value so purchasers will redirect their strategies to optimize and improve the delivery of care to their workforces." There is significant overlap between the Seven Key Attributes of APC as defined by The National Alliance and the more granular VBCM framework as defined by BizMed since both models define characteristics and measures of Primary Care organizations that improve health outcomes while mitigating healthcare costs specifically for employers.

APC SPECIFICATIONS

A consistent, quantifiable, and measurable definition of APC is prerequisite for quality of care because it defines expectations and recognizes the realities of practice variations. A consistent APC definition can be used to identify variation in staffing, processes, workflows, and technology capabilities among practices within a community and then across communities for larger employers. More importantly, this consistent definition of APC can be used to create employer specific interventions and metrics that enable Primary Care to reduce cost and improve quality.

Below is a summary diagram of an APC specification (the BizMed VBCM framework).

Figure 2: Framework for Specifying, Evaluating, Monitoring and Enhancing Advanced Primary Care



Example:

Enhanced Access	
Category	**Sub-Categories**
Access to appointments	Same-day urgent, routine, wait times, expanded visits
Extended Office Hours	After hours, weekends
Phone Calls	Response method, response times, urgent, routine
Electronic services	Messaging, telehealth, specialty consults
Advanced Services	Home visits, onsite services, community services

The Enhanced Access component has 5 categories and 15 sub-categories, ranked and weighted by their importance to APC capabilities. Some sub-categories are required even for entry level APC, others are optional and still others allow various implementation methods. Most are customizable to meet employers' needs or to accommodate variations in Primary Care delivery models.

Figure 2 illustrates the level of specificity required to accurately evaluate and stratify APC capabilities of a Primary Care practice. This diagram shows:

1. Essential components of APC - Enhanced Access, Continuity of Care, Effective Care, Comprehensive Care, Feedback & Reviews, are shown in the top half of Figure 2. These five essential components cover the entire spectrum of operations in any Primary Care clinic.
2. Detailed specifications of APC – Each essential component must be further defined by functions, services, delivery methods and personnel, past performance data and internal quality assurance processes, as listed on the left side of Figure 2. These specifications are data points which are then aggregated to provide a measurement of APC performance for any clinic. Categories and Sub-Categories for the Enhanced Access component are shown in the bottom half of Figure 2.

Detailed APC specifications provide an out-of-the-box method to stratify Primary Care practices based on their APC capabilities. This is extremely important, since it is rarely feasible for an employer to select only top APC performers, if any are available at all in an employer's operation region. A formal stratification process allows the employer to establish payment models and/or employee incentive programs commensurate with APC capabilities, and it allows practices to engage in targeted APC improvements. Granular specifications should be used for the formulation of contractual service level agreements with APC service providers. **It is imperative to recognize that a good APC framework should be detailed and meaningful enough to support excellence in Primary Care, without creating an administrative burden on Primary Care practices.**

ENGAGED PHYSICIANS

Given the various new market players encroaching on traditional Primary Care practices, the added bureaucracy imposed by Government and insurance companies, plus the COVID pandemic, Primary Care physicians are experiencing tremendous financial and professional pressure. Many are actively seeking new models of operation that support more rewarding ways to practice medicine. This is especially the case for physician owned practices, and in rural areas, also practices owned by independent hospitals.

Independent Primary Care physicians are small business owners. They provide more cost-effective services and have more flexibility to readily engage with new business models such as APC. Employers should start by considering physicians their employees are already seeing, to preserve existing patient-doctor relationships and to leverage the preexisting alignment of interests with these physicians. Another smart business option would be to engage new private practices in the community, that are actively seeking new patients.

Regardless of medical practice ownership and business model, all organizations willing and able to provide employees with high-level APC services must also be accountable to employers. Employers should apply a rigorous APC framework to all Primary Care clinics under consideration without exception. As the ultimate purchasers of health services, employers should expect full transparency and ongoing accountability for value provided by contracted Primary Care clinics. No medical provider should be exempt from scrutiny and high-quality APC partners will understand and support this level of engagement.

PAYMENT IS CRITICAL

To get something different, healthcare purchasers must be willing to pay differently. Payment drives operations. The comparatively low fee-for-service payments generally used for Primary Care services today do not permit most physicians to care for their patients in the manner they desire. Consistent underpayment has led to the "Hamster Wheel Effect" where physicians see a large volume of patients for 10–15-minute visits to generate sufficient claims/revenue. APC payments on the other hand are based on two fundamental principles:

1. Employers must be willing to pay more for a higher level of APC services compared to how traditional Primary Care is paid, and
2. Doctors must accept that a higher payment level must be offset by savings achieved through their delivery of APC services and be accountable for APC interventions

The APC pricing and incentive structure should establish a transparent method for payment based on current medical practice capabilities. While the payment model can change over time based on results, the goal is to structure a collaborative payer/provider relationship aimed at mutual interests.

DEPLOYING ADVANCED PRIMARY CARE

Section Topics:

- ✓ APC implementation roadmap
- ✓ APC partnership requires more than a contract
- ✓ How to get what you need

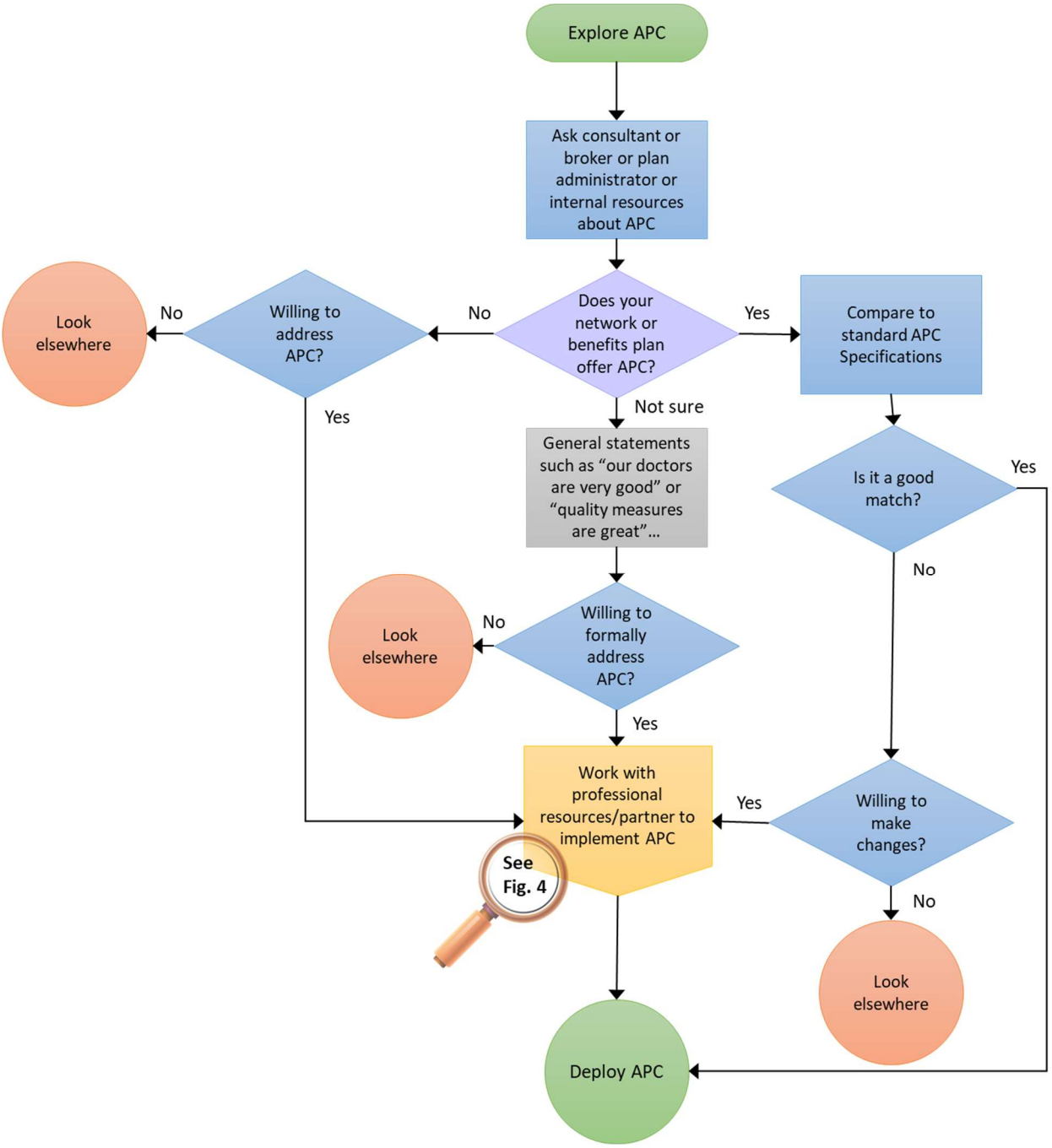
Whether pursuing new health benefit products or renewing existing contracts, employers should always look for an APC offering in provider networks used by health plans or third-party administrators (TPAs). In some cases APC services will be available. In most cases they will not. Since healthcare is presumably not the core business of most companies, consultants and TPAs are best positioned to incorporate APC in their products, but self-insured employers can also add APC to their health benefits on their own. We do however recommend that both TPAs and employers work with knowledgeable and objective resources to ensure successful deployment.

As described in previous sections, an effective APC program consists of:

1. Comprehensive, actionable APC framework
2. Engaged physicians accountable for outcomes
3. Commensurate payment

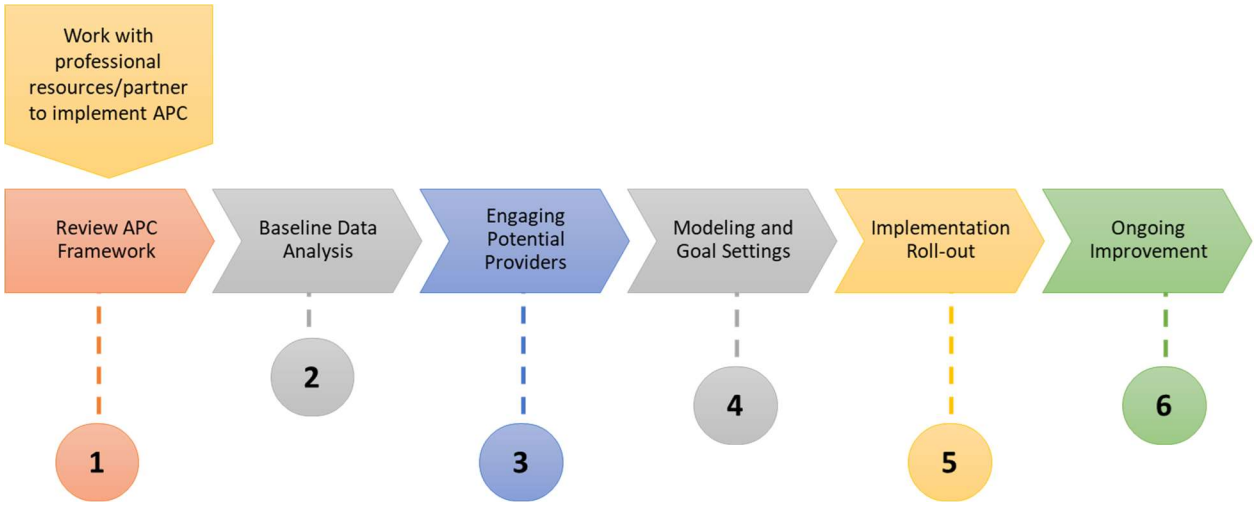
Employers should make sure that any APC offering presented to them includes all three components. If consultants, plan administrators, or other vendors, offer APC services, **employers should ask to see service level agreements (SLAs) for APC participants, lists of APC designated physicians, description of how APC performance is continuously monitored, and explanation of how physicians are paid for APC services.**

Figure 3: APC Evaluation Process



Employers who choose to take a proactive role in controlling healthcare costs while improving the health of employees can follow the steps outlined below to incorporate APC services in their health benefit package(s). **This APC program empowers companies to use the same disciplined measurement mindset for buying healthcare as they use for every other expense within their businesses.** TPAs can also deploy this disciplined approach to build a competitive advantage for their products.

Figure 4: APC Implementation Process – Major Steps



1. **Review APC Framework** – It is important to have an APC framework that is flexible enough to meet specific needs of your employees. For example, an employer in the construction industry will obviously have different healthcare needs than a call center company. The APC framework should be granular and sufficiently explicit to allow full customization. It should also include instruments to facilitate execution of all the steps below.
2. **Baseline Data Analysis** – Evaluate current categories of healthcare costs to identify performance gaps, opportunities for savings, and quality improvement. The more granular the data sets you can obtain, the more accurate the analysis will be. However, very good results can be achieved with less than perfect data. Availability of data should not become a barrier to progress.
3. **Engaging Potential Providers** – Assess willingness and capabilities of practices to deliver APC. As mentioned above, a good place to start would be practices with the largest utilization by employees. Keep in mind that due to quirks in existing payment models, physician owned practices tend to provide more value than corporate owned entities.
4. **Modeling and Goal Setting** – Estimate savings and quality goals and set targets for short-term and long-term performance, along with clear service level agreements (SLAs) and adequate payments for your APC purchase. The BizMed model, approved by the Validation Institute, indicates overall healthcare cost savings between 5 and 15 percent are generally achievable.
5. **Implementation/Roll-out** – Design your APC adoption strategy and roll-out plan, which should include outreach and perhaps incentives for your employees to increase utilization of APC services. It is important that employees are aware of the improved benefits available with APC.
6. **Ongoing Improvement** – As with any project, scheduled evaluation of performance against SLAs, actual costs, and metrics compared to targets/goals should be conducted. We recommend quarterly monitoring and at least annual comprehensive audit. Opportunities for improvements should be identified early and appropriate actions should be taken promptly.

Health plan administrators and employers with multiple locations, should note that because healthcare is local, a cookie cutter or “scalable” solution will not work. What will work is a repeatable process that employers and health plan administrators can use across networks and across different communities.

At first glance, the approach outlined above may appear somewhat challenging to initiate, set up, and monitor. However, failing to address these issues has a huge cost, not just in dollars but in the lives of employees and their families. **In the same manner that companies seek outside help for accounting or legal matters, business and union leaders should pursue objective APC support partners.** The best benefit consultants and plan administrators also welcome working with expert resources to solve their customers' problems.

CONCLUSION

Primary Care is the foundation of healthcare and as such it drives both health and total costs of health care. There are multiple examples across the U.S. of collaboration between self-insured employers and provider organizations with the goal of reducing costs and improving care. The strategies outlined in this paper apply to small and mid-size self-insured companies as well as Fortune 500 businesses. You do not need to be Walmart or Amazon to implement Advanced Primary Care and obtain a measurable ROI.

To take tangible next steps, companies should look to their benefit consultants, third party administrators and independent advisors to assess the potential impact and opportunity of improved Primary Care services. They should also look for a repeatable, consistent methodology to ensure they are obtaining these robust capabilities and the ROI Advanced Primary Care can deliver. Self-Insured employers who want positive change must be willing to initiate the change by working with companies that are aligned in their desire for high quality care, delivered at lower costs.

About BizMed: BizMed provides technology and services to enable and accelerate adoption of the APC model of care. The BizMed approach is intended for small and large employers, has been independently approved by the Validation Institute and is both purchaser and practice centric. BizMed core capabilities include a comprehensive framework to objectively stratify medical practices based on their capacity to deliver a defined set of Advanced Primary Care services and enables employers, health benefits consultants and TPAs to roll out accountable Advanced Primary Care services.

[i] Gary Claxton, Larry Levitt, Matthew Rae KFF and William Kramer, Shawn Gremminger Purchaser Business Group on Health, April 2021, How Corporate Executives View Rising Health Care Costs and the Role of Government (1) (pbgh.org)

[ii] Primary Care Collaborative and Robert Graham Center, "Investing in Primary Care", July 2019; Patient-Centered Primary Care Collaborative, "The Patient Centered Medical Home's Impact on Cost & Quality: An annual Update of the Evidence, 2012-2013", January 2014; The National Institute of Health, "Disentangling the Linkage of Primary Care Features to Patient Outcomes: A Review of Current Literature, Data Sources, and Measurement Needs", June 24, 2015

[iii] National Academies of Sciences, Engineering, and Medicine 2021. Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care. Washington, DC: The National Academies Press. https://doi.org/10.17226/25983.

[iv] Capability Maturity Model (CMM) - is a registered service mark of Carnegie Mellon University - Humphrey, Watts S. "Characterizing the software process: a maturity framework." IEEE software 5.2 (1988): 73-79.

[v] National Alliance of Healthcare Purchasing Coalitions, "Achieving Value Through Advanced Primary Care, A Deep Dive Powered by eValue8™", April 2020