



OREGON ACADEMY OF
FAMILY PHYSICIANS

Support SB 765 – Value Based Spending in Primary Care

Research shows that greater use of primary care is associated with lower costs, higher patient satisfaction, fewer hospitalizations and emergency department visits, and lower mortality.ⁱ

A study of Oregon's Patient Centered Primary Care Home Program (PCPCH) estimated \$240 million in savings over its first three years.

Studies of similar models in other states have confirmed these outcomes. Michigan for example has seen a 15% decrease in adult Emergency Department visits.

Problem:

1. Current payment models do not support innovations in primary care. Despite efforts to move away from fee-for-service reimbursement, health insurers have not yet implemented a payment methodology that reimburses based on value rather than volume.
2. Current statutory definition of primary care is providing a distorted view of primary care spending.

Solution:

1. SB 765 directs OHA and DCBS to set in rule percentage targets for value based spending for primary care.
 - a. **Supports the Primary Care Payment Reform Collaborative's** recommendations that outline a single payment methodology for primary care that all payers should move toward.
 - b. **Provides flexibility for payers to implement the model** over a timeline they see fit, and the flexibility to change that number as time goes on.
 - c. **Evens the playing field for payers**—current statute requires just CPC+ payers to extend similar payment methodologies to all clinics.

ⁱ Koller, C. F. (2017, July 31). Measuring Primary Care Health Care Spending. Retrieved from <https://www.milbank.org/2017/07/getting-primary-care-oriented-measuring-primary-care-spending>



2. Updates definition of total medical expenditures to **include prescription drug spending**. Updates definitions of primary care providers to include integrated behavioral health clinicians and integrated women's health clinicians.
 - a. **Pharmaceutical spending accounts for 20% of all healthcare expenditures**
 - b. **Primary care effects prescription drug usage and spending**. We should seek to understand that relationship, not ignore it.
 - c. **There are no penalties** should a payer not meet the goals set in the legislation.
 - d. The 12% target isn't meant to be punitive; it's meant to **drive change based on what the evidence tells us saves money and achieves better outcomes**.

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