

# Evidence for primary care investments reducing total cost of care

## **Oregon’s PCPCH Program Implementation Report (2016)**

An evaluation of Oregon’s Patient Centered Primary Care Home program found that every \$1 invested in primary care resulted in \$13 in savings in other services, such as specialty care, emergency department, and inpatient costs.

<https://www.oregon.gov/oha/HPA/dsi-pcpch/Documents/PCPCH-Program-Implementation-Report-Sept2016.pdf>

## **Investing in Primary Care: A State-Level Analysis (2019)**

An association was found between increased primary care spend and fewer emergency department visits, total hospitalizations, and hospitalizations for ambulatory care-sensitive conditions.

[https://www.pcpsc.org/sites/default/files/resources/pcmh\\_evidence\\_report\\_2019\\_0.pdf](https://www.pcpsc.org/sites/default/files/resources/pcmh_evidence_report_2019_0.pdf)

## **Evaluation of the Maryland Primary Care Program (2021)**

The impact of the Maryland Primary Care Program (MDPCP) on the total cost of care has been volatile. In 2019, total cost of care increased slightly while in 2020 total cost of care declined slightly. As shown in the cumulative trend column, MDPCP has resulted in a small cumulative reduction (about 0.5 percent) in total cost of care in the first two years of the program, even after accounting for the investment of additional payments made by CMS. In aggregate, savings due to MDPCP were approximately \$16 million in 2020.

[http://dlslibrary.state.md.us/publications/JCR/2021/2021\\_119b\\_2021.pdf](http://dlslibrary.state.md.us/publications/JCR/2021/2021_119b_2021.pdf)

## **The Key To Improving Population Health And Reducing Disparities: Primary Care Investment (2022)**

This Health Affairs blog post discusses the importance of investing in primary care and summarizes programs and research in several states related to their primary care investments and outcomes.

<https://www.healthaffairs.org/content/forefront/primary-care-investment-key-improving-population-health-and-reducing-disparities>

## **Spending for Primary Care – Fact Sheet (2020)**

Greater use of primary care is associated with lower costs, higher patient satisfaction, fewer hospitalizations and emergency department visits, and lower mortality.

<https://www.pcpsc.org/sites/default/files/resources/PC%20Spend%20Fact%20Sheet%20.pdf>

## **NCQA compilation of research on the patient centered medical home model includes several studies that look at cost savings**

<https://www.ncqa.org/programs/health-care-providers-practices/patient-centered-medical-home-pcmh/benefits-support/pcmh-evidence/>

### **Investing in Primary Care: Why It Matters for Californians with Medi-Cal Coverage (2022)**

This California Health Care Foundation brief examined the relationship between a health plan's primary care spending and total cost of care (as measured by acute hospital and emergency department utilization) and found that the plan's primary care spending percentage had no impact on total cost of care or members' utilization of services with one exception (increased acute hospital utilization among older adults and people with disabilities).

<https://www.chcf.org/wp-content/uploads/2022/07/InvestingPrimaryCareMMC.pdf>

### **The Case for Investing in Primary Care in California (2022)**

This brief from the California Health Care Foundation includes a summary of the evidence on the value of primary care, including how primary care contributes to lower overall health care spending.

<https://www.chcf.org/wp-content/uploads/2022/04/CaseInvestingPrimaryCare.pdf>

The CHCF brief cites the following studies:

### **Contribution of Primary Care to Health Systems and Health (2010)**

"Areas with higher ratios of primary care physicians to population had much lower total health care costs than did other areas, possibly partly because of better preventive care and lower hospitalization rates. This was demonstrated to be the case for the total U.S. adult population (Franks and Fiscella 1998), as well as among U.S. elderly living in metropolitan areas (Mark et al. 1996; Welch et al. 1993). Baicker and Chandra's (2004) analysis showed a linear decrease in Medicare spending along with an increase in the supply of primary care physicians, as well as better quality of care (as measured by 24 indicators concerning the treatment of six common medical conditions). In contrast, the supply of specialists was associated with more spending and poorer care."

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2690145/>

### **Primary Care: A Critical Review of the Evidence on Quality and Costs of Health Care (2010)**

There is an emerging consensus that strengthening primary care will improve health outcomes and restrain the growth of health care spending.

<https://www.healthaffairs.org/doi/10.1377/hlthaff.2010.0025>

### **Low-Value Care at the Actionable Level of Individual Health System (2021)**

An analysis of low-value care use across and within individual health systems found that health systems with smaller proportions of primary care physicians had higher use of low-value care.

<https://pubmed.ncbi.nlm.nih.gov/34570170/>

### **Primary Care Physicians and Spending on Low-Value Care (2021)**

An estimate of the share of low-value spending on Medicare beneficiaries that is directly related to their attributed PCP's services or referrals.

<https://pubmed.ncbi.nlm.nih.gov/33460344/>

### **Higher Primary Care Physician Continuity is Associated with Lower Costs and Hospitalizations (2018)**

All 4 continuity of primary care scores tested were significantly associated with lower total expenditures and hospitalization rates. <https://pubmed.ncbi.nlm.nih.gov/30420363/>

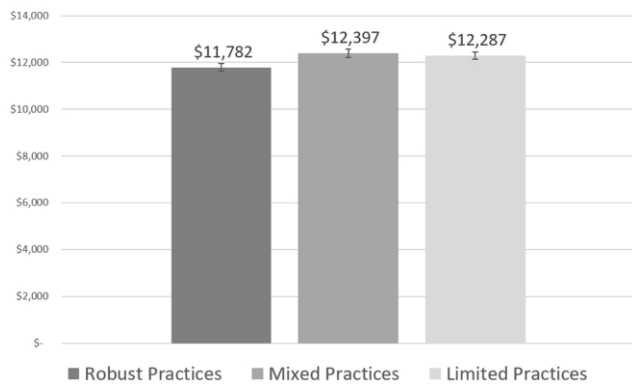
### Primary Care Practices Providing a Broader Range of Services (ROS) Have Lower Medicare Expenditures and Emergency Department Utilization (2021)

In multivariate analysis, Practice-ROS was associated with cost and utilization outcomes of Medicare beneficiaries observed in the following year. Medicare beneficiaries served by primary care practice sites that offered Practice-ROS at the 75th percentile of practices had 3.2% lower rates of ED visits ( $p < 0.01$ ) yielding 22.27 fewer ED visits per 1000 beneficiaries. Likewise, beneficiaries cared for by sites that offered Practice-ROS at the 75th percentile of practices had 3.1% lower Medicare spending ( $p < 0.01$ ), and therefore \$25.03 less monthly spending per beneficiary compared to beneficiaries served by primary care practice sites with Practice-ROS at the 25th percentile.

<https://link.springer.com/article/10.1007/s11606-021-06728-2>

### Physician Practices with Robust Capabilities Spend Less on Medicare Beneficiaries than more Limited Practices (2022)

*Adjusted total spending by physician practice location capability levels*



<https://pubmed.ncbi.nlm.nih.gov/35254927/>