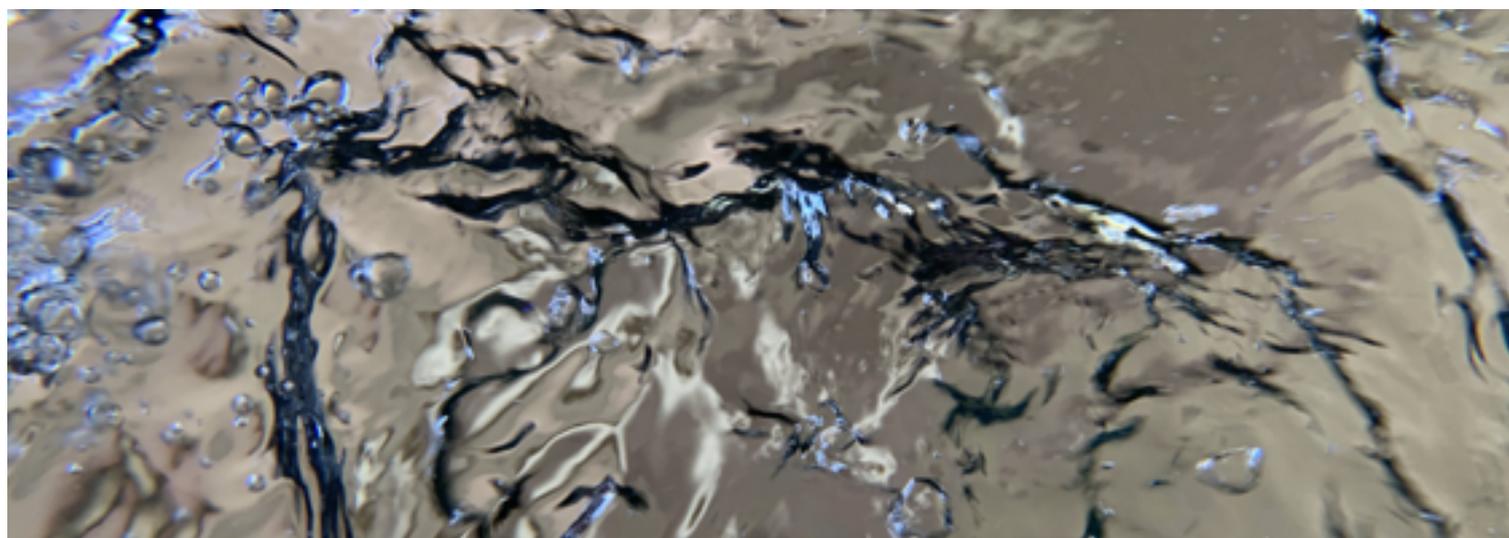


OUTSIDE **THE** LINES



PRIMARY CARE TO THE FOREGROUND

Today's Top Pick, Curated for Leaders Changing Healthcare

April 17, 2019

A new RAND study, published just yesterday in JAMA, found that only 2% to 5% of Medicare – and only 8% of commercial PPO – spending is used for primary care. Two states – Rhode Island and Oregon – have set minimum primary care spending targets. CMS too is changing the game, expanding telehealth payments ... adding new possibilities for flipping the healthcare model and spending more on primary care.

Are we serious about delivering value-based care? If so, why aren't we flipping the healthcare model and spending more on primary care? A new RAND study, published just yesterday in *JAMA*, found that only 2% to 5% of Medicare – and only 8% of commercial PPO – spending is used for primary care. Yet we know that primary care is key to delivering better outcomes, efficiencies, and experiences of care.

A few states, some health systems, disruptors who are shaking up traditional care models, and now CMS (with its telehealth payment announcements in late 2018),

are working to crack the code, bringing primary care to the foreground of healthcare, where it belongs.

Two states – Rhode Island and Oregon – have established minimum primary care spending targets. In 2011, the Rhode Island Office of the Health Insurance Commissioner (OHIC) required all insurers to increase primary care's share of total medical payments by 1 percentage point per year for 5 years, from 2010 to 2014. As a result, when studied in 2012 (compared to 2008 numbers), primary care spending grew 37% while *total* medical spending fell 14%. Rhode Island is furthering these efforts as it continues with its OHIC Affordability Standards. Oregon too, starting in 2017, is pushing for a 12% primary care spending threshold (by 2023) for its Medicaid program and private/public payers.

Innovations in primary care are changing the game. Alternative access places for care, including payment for these points of service (from CMS and others), are adding new possibilities for flipping the model. Telehealth, with utilization up 53% from 2016 to 2017, is a game-changer. In fact, CMS is expanding telehealth payments, generally, and starting in 2020 will include telehealth as a basic benefit in Medicare Advantage plans. Utilization of other primary care alternatives, too, are ramping up: urgent care increased by 14% and retail clinics by 7%, while ER utilization decreased by 2%.

We are constantly scanning the horizon of healthcare, to help you stay on top of, and in front of, key trends. Primary care is key for leaders changing healthcare. As noted in this week's *JAMA* article, "The United States is in the midst of an unprecedented era of provider payment reform. Assessing the effects of innovations on a known contributor to high value care—our primary care infrastructure—should be a high priority."

Always Looking Ahead,
Kim Athmann King, MBA, FACHE
Founder & President, Strategy Advantage

www.strategyadvantage.com

www.zigzaghealthcare.com

www.xcoadvantage.com

**INNOVATION WORKSHOP: FOR LEADERS CHANGING
HEALTHCARE**



At Strategy Advantage, in 2015, we started [ZIGZAG Healthcare](#), focused on one thing: new ideas and disruptive innovations that are changing the way healthcare is provided.

As part of this, we offer our exclusive Innovation Workshops, which provide a one-day facilitated executive retreat to open minds, spark change, and develop an action plan to infuse the organization's strategic priorities with innovative thinking.

In 2017 and 2018, [we did this for AMITA Health](#) in Chicago. More and more, as leaders are focused on changing healthcare, Strategy Advantage is being called in to lead their Innovation Workshops. We have capacity this Summer and Fall 2019 to bring a custom-designed Innovation Workshop to your organization. To contact us and to schedule a date, email Kala Kascht at kkascht@strategyadvantage.com or call 310/ 416-1400 x3.

ADDITIONAL RESOURCES

See findings [here](#) from the just-released RAND Corporation study concluding that only 2% to 5% of Medicare spending is for primary care uses.

Read more [here](#) about the State of Rhode Island's Affordability Standards.

See the Fair Health report [here](#), indicating the increasing utilization of telehealth, urgent care, retail clinic, and other alternative places for care.

Use this booklet [here](#) to understand and set-up coding for Medicare telehealth services.

Click [here](#) to access other *Outside the Lines* issues produced by Strategy Advantage.

This bi-weekly e-mail is curated by the expert team from Strategy Advantage and provides a look across the horizon, and outside the lines, of the healthcare industry.

Be sure to add kking@strategyadvantage.com to your address book.

You can [unsubscribe from this list](#).

Strategy Advantage
Los Angeles Office
1601 N. Sepulveda Blvd. #790
Manhattan Beach, Ca 90266

Copyright © 2019 Strategy Advantage

This email was sent to << Test Email Address >>

[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)

Strategy Advantage · 1601 N. Sepulveda Blvd. · #790 · Manhattan Beach, CA 90266 · USA