Accountable care organizations that coordinate care and pay for value have improved quality and reduced reliance on costly hospital services

WESTMED’s commercial ACO in New York, in partnership with UnitedHealthcare and Optum, improved care on nine of 10 health quality metrics, while achieving an 8% reduction in emergency department utilization, a 5% decrease in hospital inpatient costs, and a 1.3% reduction in costs per member in one year.

Medical homes that transform care delivery and pay for value have improved quality and reduced costs. Outcomes from programs in AZ, CO, OH, and RI:

- 6 to 1 return on investment for care coordination activities
- 6.2% net savings on third-year medical costs
- Reduced avoidable hospital stays
- Improved diabetes management
- Improved patient satisfaction
- Increased care coordination

Delivering primary care and preventive services to individuals in their homes is an effective approach to improving access and care delivery

A key advantage of conducting clinical visits in the home is the review of environmental and social conditions, which provides valuable information and context to inform an individual’s treatment plan. Optum’s HouseCalls is a care management program that provides annual 45 to 60 minute in-home clinical appointments with a physician or nurse practitioner and ends with a plan of care shared with both patient and primary care physician. House Calls resulted in needed follow-up encounters occurring and the closure of gaps in care. In 2013, among UnitedHealthcare Medicare Advantage members receiving a HouseCalls visit, nearly two-thirds (64%) received a follow-up service under Medicare within 30 days, and there was a 5.1% increase in colorectal screening and a 6.9% increase in breast cancer screening.

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Primary care is the foundation of the U.S. healthcare system. Primary care represents an estimated 6% to 8% of national health care spending, approximately $200 to $250 billion annually, and accounts for 55% of the 1 billion physician office visits annually.

A higher concentration of primary care physicians is consistent with lower rates of avoidable hospital admissions and avoidable emergency department visits.

The ACA could lead to 25 million more primary care visits annually, and the growing senior population and increasing rates of chronic conditions will lead to further increases in the demand for primary care.

The ratio of primary care physicians to specialists will likely decline in the near term.

Primary care physicians are less concentrated in rural areas and markets where household income is lower and rates of uninsured are higher.

There are practical, proven, and scalable approaches that can be applied to enhance primary care access, quality, and outcomes, while reducing costs. These include:

- Leveraging a diverse clinician workforce, multi-disciplinary care teams, and health information technology,
- Combining advanced service delivery models and value-based payments, and
- Expanding access and resources through the use of retail clinics, home visits and group visits, and by more effectively engaging complex patients.

Read Advancing Primary Care Delivery: Practical, Proven, and Scalable Approaches at unitedhealthgroup.com/modernization
Primary Care is Critical for an Effective and High-Performing Health Care System

Primary care is the foundation of the U.S. health care system:

- 55% of over 1 billion physician office visits annually
- 6% to 8% of national health care spending ($200 - $250 billion annually)
- The ACA could generate 25 million additional visits each year
- The ratio of primary care physicians to specialists will likely decline in the near term as the nation’s graduate medical programs produced 4,500 primary care physicians and 24,000 specialists in 2014
- Primary care physicians annually earn approximately half the compensation of orthopedists, cardiologists, and radiologists

High value of primary care:

- Central to effective treatment and efficient care delivery
- Emphasis on preventive services
- Core element in advanced care delivery models

Primary care access remains a challenge:

- Lack of capacity and access in rural areas and low-income communities
- 70% of ER visits by commercially insured individuals are for non-emergencies

A higher concentration of primary care physicians is related to:

- Lower rates of mortality
- More effective preventive care
- Fewer avoidable admissions
- Fewer avoidable emergency department visits
- Less use of costly and often not more effective high-technology diagnostic imaging

Demand for primary care is growing due to:

- An aging population
- Increases in chronic conditions
- Reduction in uninsured population
- Consumers looking for more convenient ways to access care, including extended office hours and electronic communications

Building Blocks for Bolstering Capacity...

Diverse Workforce

- Over 190,000 nurse practitioners (NPs), as well as other clinicians, can increase primary care capacity
- Evidence indicates high quality of primary care delivered by NPs

Multi-Disciplinary Teams

- A primary care physician with a panel of 2,000 patients would need to spend 17.4 hours per day providing recommended care
- Practicing in teams increases the satisfaction of primary care physicians

Health Information Technology (HIT)

- Broader implementation of HIT, including EHRs, increases system-wide quality and care coordination
- Lack of interoperability prevents effective data sharing
- Cost of adoption and ongoing support is a challenge for smaller practices

Paying for Value to Incent High Quality Care...

Fee-For-Service (FFS):

- Encourages providers to deliver a greater volume of more costly services
- Fails to promote high-quality services and care coordination across providers
- Contributes to failures in care delivery, including overtreatment and wasteful health care spending
- Models using FFS have struggled to achieve success

Value-Based Payments

- Shift away from payments based on the quantity and intensity of services delivered
- Reward high-quality and effective care rather than higher volume of more complex services
- Include multiple approaches that allow payments to be tailored to the diverse capacities of providers

Advanced Service Delivery Models

Medical Homes and Accountable Care Models: Multi-disciplinary care teams
Health information technology
Focus on care coordination
Treating the whole patient

There is no single model to successfully expand primary care capacity and improve service delivery. Multiple, complementary pathways can be tailored to local market conditions and policy environments

Leveraging the Building Blocks:

- Diverse clinician workforce
- Multi-disciplinary care teams
- Health information technology

Combining Advanced Service Delivery Models and Value-Based Payments:

- Medical homes
- Accountable care organizations
- Reimbursement models that pay for value over volume

Additional Approaches to Expand Access and Better Target Capacity:

- Retail clinics
- Home visits
- Group visits
- Engaging complex patients