WellMed Primary Care Practices' Value-Based Care Model Outperforms on Quality and Cost for Medicare Patients

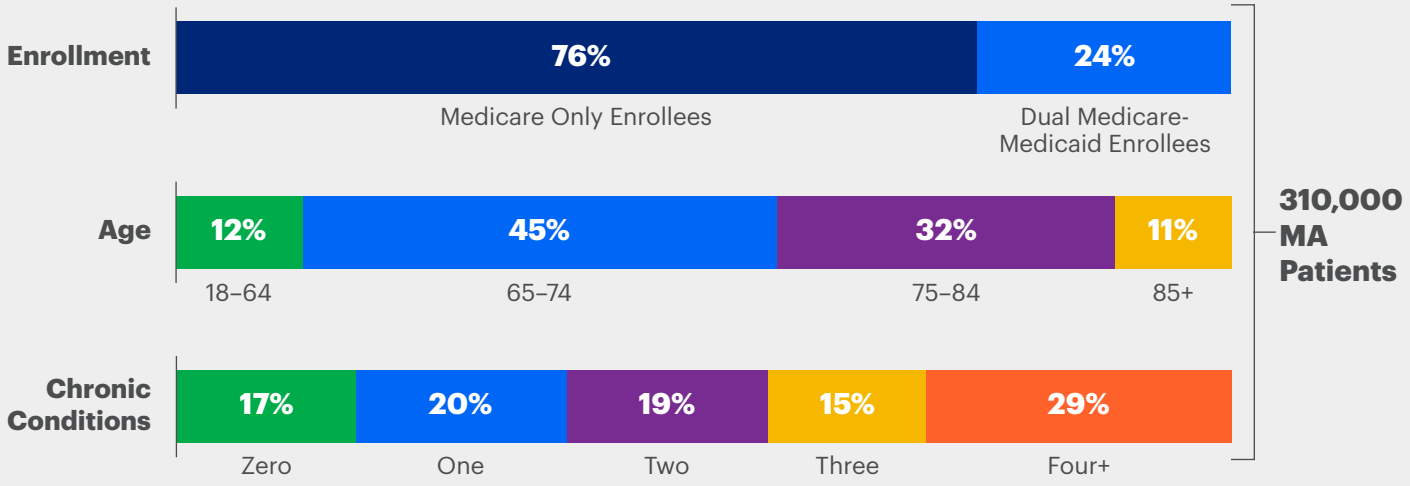
Effective primary care[1] **can improve health outcomes for Medicare patients**[2] **and lower health care costs.**[3,4] Decades of research have documented the value of primary care[5] that supports prevention, wellness, and management of chronic disease.[6] Medicare enrollees can benefit from effective primary care,[7,8] including for the management of chronic conditions, as approximately 70 percent of seniors have hypertension, 40 percent have obesity, 30 percent have diabetes, and 20 percent have chronic kidney disease.[9]

The effectiveness of primary care that patients receive is inconsistent nationally, due to insufficient or misplaced investment and widespread use of the fee-for-service payment model that rewards volume rather than continuous, whole-person care.[10] A range of challenges prevent some primary care providers from investing the time and money needed to modernize care delivery, including work overload, inadequate resources, and administrative burdens,[11,12] as well as low provider payments relative to other specialties.[13,14]

WellMed Medical Group, part of UnitedHealth Group's Optum Health, is a comprehensive network of primary care doctors, specialists, and other medical professionals treating 1.6 million patients with Medicare, Medicaid, and commercial insurance each year in 8,000 owned, contracted, and affiliated clinical settings in Texas and Florida. **Its 250 primary care practices with employed physicians** comprehensively serve and take responsibility for over 300,000 Medicare Advantage (MA) enrollees, many of whom have complex medical needs; among these patients:[15]

- 24% are dual Medicare-Medicaid enrollees who have Medicaid coverage due to their low incomes
- 43% are 75 and older, while 12% are under 65 and have Medicare coverage due to a disability
- 83% have at least one chronic condition, and 44% have three or more

Medicare Advantage Patients of WellMed's Employed Primary Care Practices, 2024



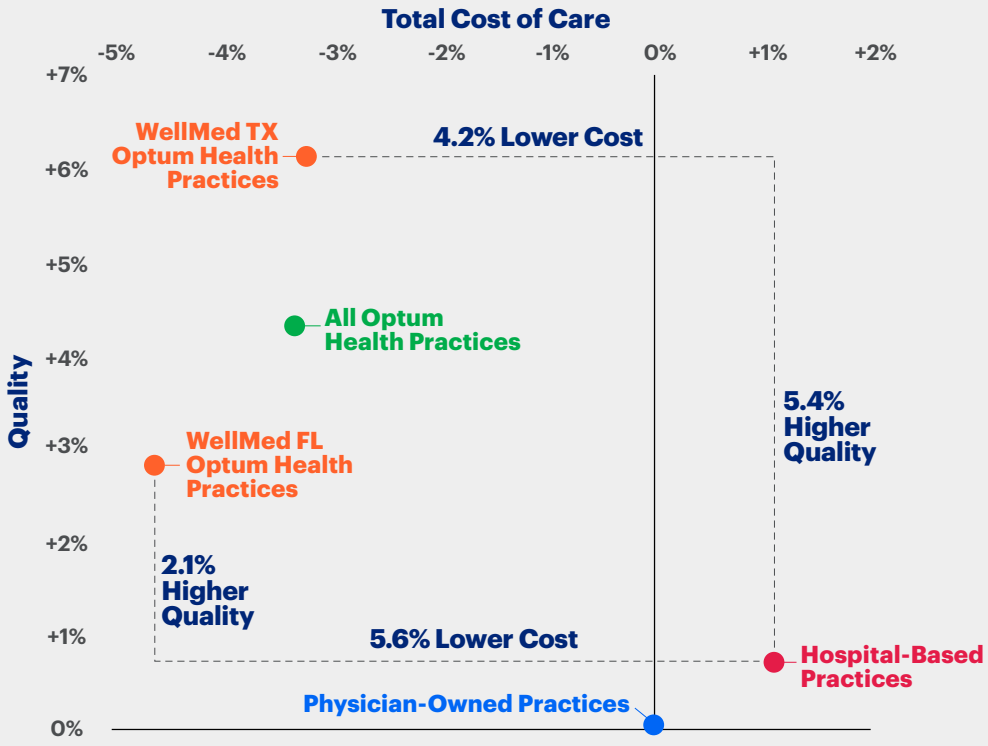
WellMed's clinical practices deliver high-quality value-based primary care by prioritizing evidence-based medicine, proactive patient engagement, and care coordination.

Texas and Florida are challenging high-cost states with significant spending on low-value care – services that provide little or no benefit, have the potential to cause harm, or lead to unnecessary costs and wasted resources.[16] Both rank in the top ten states for high wasteful health care spending per person.[17] Florida is in the top five states for high utilization of low-value care, and Texas is in the top five states for high average prices of low-value services.[18] Examples include low-value diagnostic testing and imaging,[19] which is often delivered in costly hospital settings.[20]

Hospital-owned primary care practices can drive up costs when patients are referred to high-cost specialists.[21] Hospitals that own primary care practices also have conflicted incentives regarding patients' health care costs, because they generate significant revenue through inpatient hospital stays.

In contrast, **WellMed primary care practices with employed physicians have clear incentives to keep patients healthy because they take full financial risk for medical costs for about 90 percent of their MA patients, while taking full accountability for quality of care for all their MA patients.**[22] As a result, like all Optum Health employed physicians, WellMed's primary care doctors are highly motivated to ensure their patients receive preventive services, manage their chronic conditions effectively, and stay out of the hospital. **WellMed's value-based primary care model achieves strong performance on quality and cost.**

Performance of Primary Care Practices on Quality and Cost for Medicare Advantage Patients, 2024[23]



WellMed TX Optum Health Practices

- **Outperformed hospital-based practices** by:
  - 4.2% on cost
  - 5.4% on quality
- **Outperformed physician-owned practices** by:
  - 3.2% on cost
  - 6.1% on quality

WellMed FL Optum Health Practices

- **Outperformed hospital-based practices** by:
  - 5.6% on cost
  - 2.1% on quality
- **Outperformed physician-owned practices** by:
  - 4.6% on cost
  - 2.8% on quality

All Optum Health Practices with Employed Physicians

- **Outperformed hospital-based practices** by:
  - 4.4% on cost
  - 3.6% on quality
- **Outperformed physician-owned practices** by:
  - 3.3% on cost
  - 4.3% on quality

Hospital-Based Practices

- **Underperformed physician-owned practices** by 1.1% on cost
- **Outperformed physician-owned practices** by 0.7% on quality

Physician-owned practices are the benchmark against which Optum Health and hospital-based practices are evaluated. Comparisons between Optum Health and hospital-based practices reflect percentage point differences.

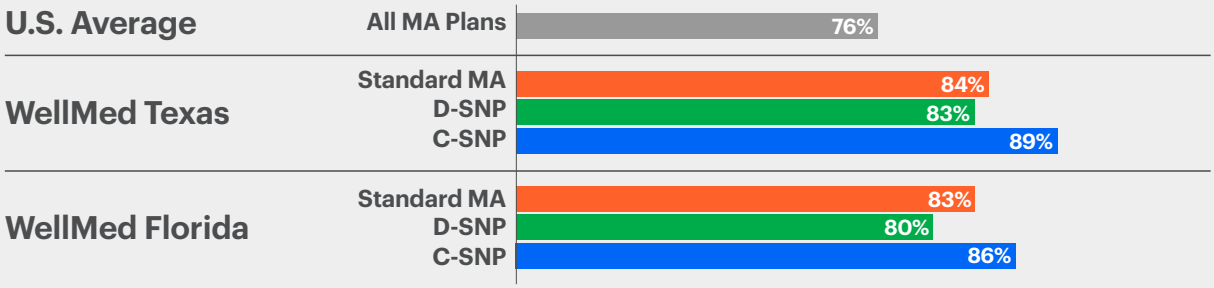
WellMed Practices Outperform the U.S. Average on Key Measures of Primary Care Quality[24]

WellMed's value-based care model enables its primary care practices to excel on key quality measures related to prevention and managing chronic disease. Quality measures are used by the federal government to assess the quality of care delivered by MA plans and the providers who contract with them for enrollees in standard benefit plans as well as those in Dual-Eligible Special Needs Plans (D-SNPs) and Chronic Condition Special Needs Plans (C-SNPs), which serve individuals who often face greater medical, social, or economic challenges that can impact their ability to complete preventive care.[25] Quality measures also provide primary care practices with data-driven insights to monitor compliance with clinical guidelines, identify gaps in care, and develop targeted interventions to improve care processes and patient outcomes. In 2024, **WellMed practices consistently outperformed the U.S. average** on the following measures of primary care quality that address the most prevalent health risks for Medicare beneficiaries.

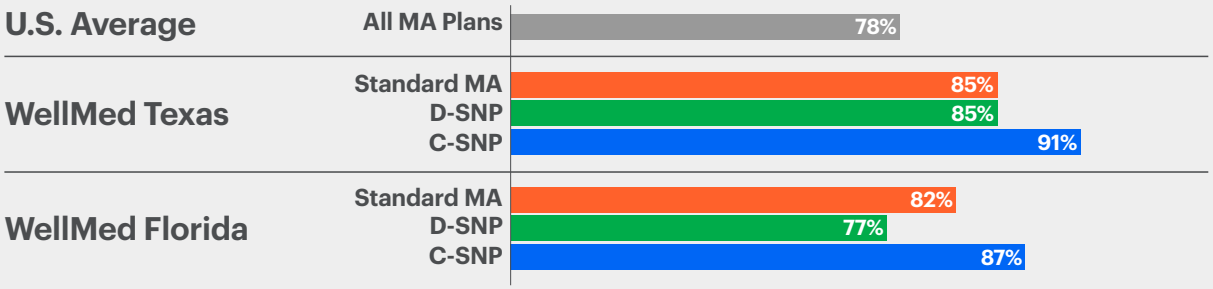
> ***"At WellMed, we have a quality improvement war room."***
>
> —Dr. Stephanie Copeland, Regional Medical Director, WellMed

Cancer Screening

Colorectal Cancer Screening for MA Enrollees[26]



Breast Cancer Screening for MA Enrollees[27]

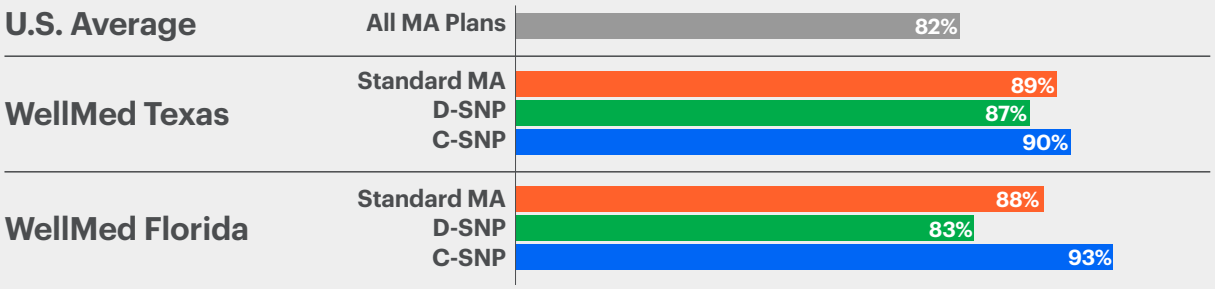


> ***"At WellMed, I've found that the time spent with patients isn't just about treating specific conditions; it's about caring for them holistically. Patients receive more attention, and I have more time to connect with them on a personal level."***
>
> —Dr. Jyothi Rereddy, Primary Care Physician, WellMed

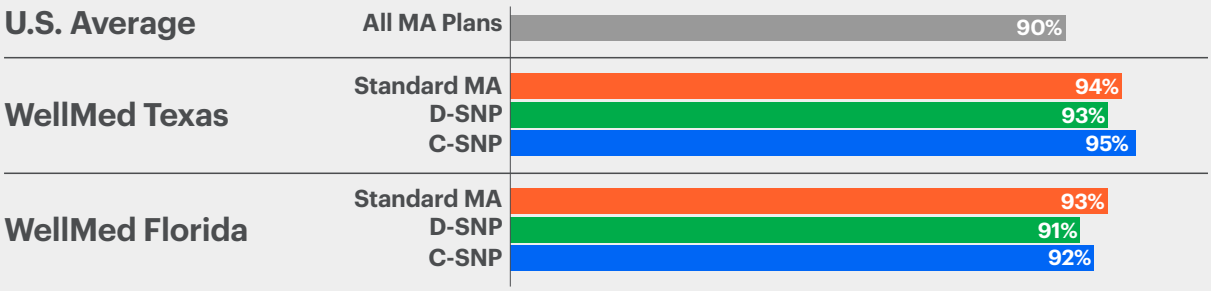
> ***"I'm also so grateful for my care team who kept such a close eye on me. I wouldn't be here today if it wasn't for them."***
>
> —WellMed Patient

Managing High Blood Pressure

Controlling High Blood Pressure for MA Enrollees[28]



Medication Adherence for High Blood Pressure Among Part D Enrollees[29]

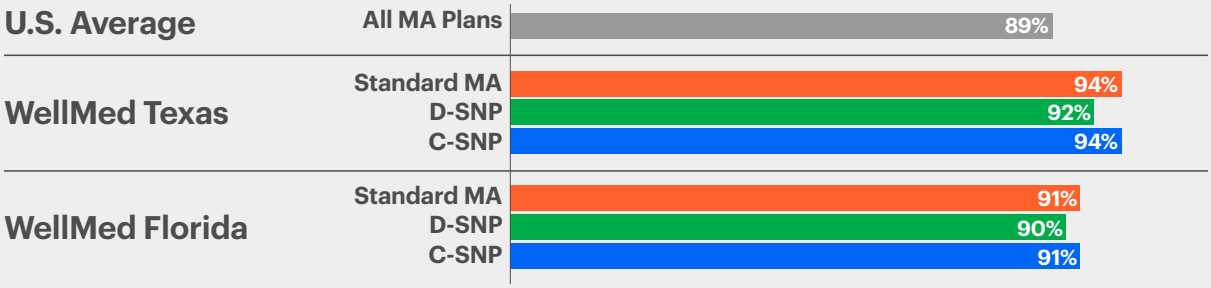


"After joining WellMed, I now have time for meaningful conversations with my patients every day. This additional time gives me the opportunity to talk with patients about why their blood pressure is out of control; why they need to get their eyes checked, have a mammogram or colonoscopy, or see a neurologist; and how they can manage chronic pain. I can also review their medications and address their concerns, fears, and plans for their health in the future."

—Dr. Benjamin Mendez, Primary Care Physician, WellMed

Managing Cholesterol

Medication Adherence for Cholesterol Among Part D Enrollees[30]



"If I ever need attention, I know WellMed is always available."

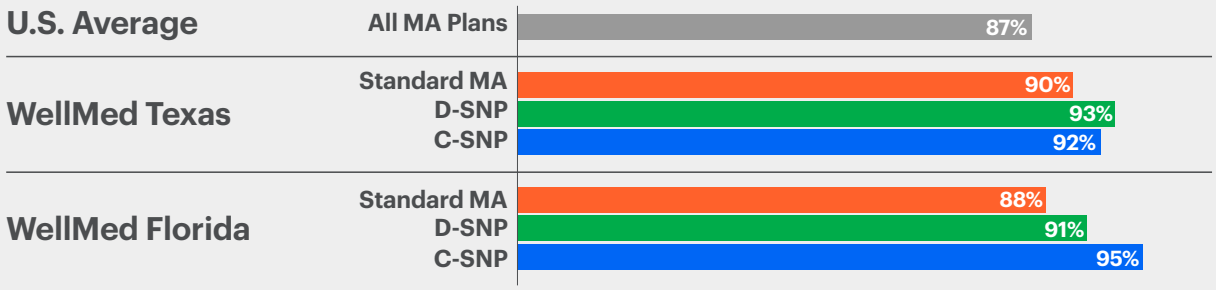
—WellMed Patient

"WellMed ensures all our primary care practices have the capabilities and incentives to deliver the right care at the right time in the right setting. Our commitment to evidence-based medicine, quality, and continuous learning guides our decisions. We keep patients at the center, making sure their whole-person needs are recognized and addressed."

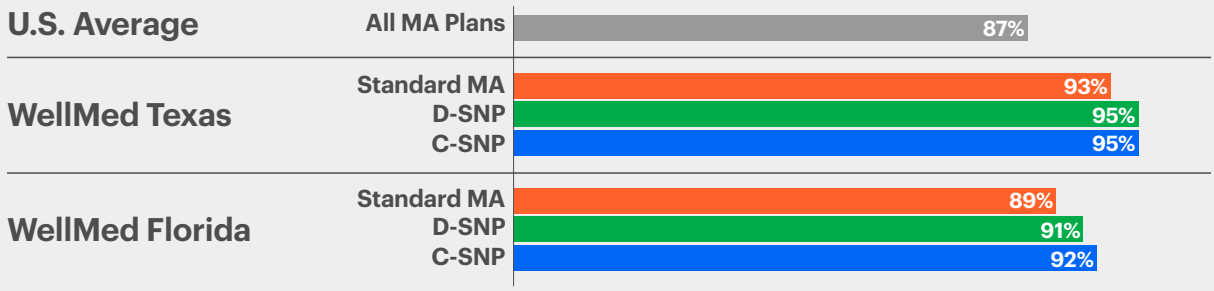
—Dr. Barbara Allen, President, WellMed

Managing Diabetes

Medication Adherence for Diabetes Among Part D Enrollees[31]



Statin Use For Diabetes Among Part D Enrollees[32]



"Thanks to the nurses who treated me, the doctor discharged me and told me to keep on walking to get my strength back."

—WellMed Patient

"Our medical assistants review electronic records to track specialty care and diagnostic tests. If patients haven't followed up, we call to offer help. Nurse coordinators also check if patients have received their prescribed medications."

—Brittany Kubena, Physician Assistant, WellMed

WellMed's Value-Based Primary Care Model: Key Attributes

Patient-centered

WellMed places patients and their primary care teams at the center of the care model by:

- Meaningfully engaging patients in decision-making and empowering patients to manage their chronic conditions
- Ensuring patients have timely access to care, including same-day and after-hours appointments
- Delivering wrap-around services, such as outreach by pharmacists, home and video visits, and transportation as needed
- Providing timely responses to patients' questions and medication refills, and making it easy to schedule via patient portals

> ***"Once a day, our multi-disciplinary teams huddle to review the day's patients, ensuring all their needs are met. We discuss necessary actions like mammograms, blood pressure checks, and other essential services. We anticipate issues like transportation, care gaps, and follow-ups."***
>
> —Dr. Ryan Jones, Regional Medical Director, WellMed

Physician-centric and team-based

WellMed places the physician-patient relationship at the center of the model, and surrounds physicians and other primary care clinicians with high-functioning interprofessional care teams, consisting of:

- Care managers
- Behavioral health experts
- Social workers

To support the delivery of appropriate care while minimizing risks of complications and errors, WellMed care teams collaborate with:

- Specialist physicians
- Emergency departments
- Hospitals
- Post-acute care providers

> ***"I have weekly team meetings to discuss our most complex patients with other doctors, nurses, home health coordinators, pharmacists, and health coaches. The whole team is invested in our patients' success."***
>
> —Dr. Stephanie Rodriguez-Peña, Primary Care Physician, WellMed

Accountable care-oriented

A value-based care model drives WellMed's accountability for total cost of care by:

- Providing incentives to hold care teams accountable for effectively managing costs across the full care continuum
- Making high-quality care more accessible, while helping to keep chronic conditions in check
- Ensuring referrals to high-quality providers
- Driving down patients' out-of-pocket costs by avoiding low-value care

> ***"I am rewarded for going above and beyond for my patients with multiple health conditions; for following up with patients after an emergency department visit or hospitalization; for helping my patients manage diabetes, blood pressure, medications; and for minimizing avoidable hospitalizations."***
>
> —Dr. Prachi Italiya, Primary Care Physician, WellMed

Wellness-focused

WellMed's model prioritizes:

- Preventive care, including screenings, evaluations, and diagnostics
- Behavioral health, including psychotherapy, psychiatry, addiction treatment, and medication management – both in person and virtually
- Referrals to specialists with premier quality ratings
- Follow-up after referrals to specialists and other providers

> ***"At WellMed, providers' main focus is on the overall well-being of patients. I see my role as influencing change in patients' lives."***
>
> —Dr. Crystal Garza, Medical Director, WellMed

Health information technology-driven

WellMed's integrated electronic health records and health information technology:

- Make decision support tools available to assist care teams in closing care gaps
- Optimize workflows and communication among care teams with specialists, hospitals, pharmacists, and community-based organizations
- Streamline clinical workflows, enabling physicians to spend more time with patients
- Facilitate evidence-based decision making at the point of care

> ***"At WellMed, we use an integrated electronic medical record. Throughout the day, we receive "jelly beans" on our computer screens that let us know when our patients have messaged us or when a prescription refill is needed which allows me to respond to patients quickly."***
>
> —Dr. Marissa Charles, Primary Care Physician, WellMed

Learning and performance-propelled

WellMed is committed to achieving excellence through continuous learning and improvement, driven by:

- Quality and performance monitoring, including real-time dashboards for providers, teams, and clinics
- Heavy reliance on quality metrics and patient and provider experience surveys
- Team-wide focus on closing care gaps and meeting patients' needs
- On-the-job training and ongoing leadership development opportunities

> ***"Providers are focused on keeping patients healthy and out of the hospital. A big part of my job is helping patients receive preventive care that is evidence-based."***
>
> —Dr. Mariam Khan, Primary Care Physician, WellMed

> ***"They are all so friendly, and they return your calls, which is so important. I like to go into the clinic and take them donuts or other goodies. They like it, and I like doing it for them because they are so wonderful to me."***
>
> —WellMed Patient

Methodology

The results shown in the figure titled, "Performance of Primary Care Practices on Quality and Cost for Medicare Advantage Patients, 2024" on page 2 reflect UnitedHealth Group's analysis of the performance of primary care practices for Medicare Advantage (MA) patients, based on overall quality and total cost of care, using UnitedHealthcare MA claims.

Enrollees

The analysis includes MA enrollees, including those under age 65, in standard benefit plans, Dual-Eligible Special Needs Plans (D-SNPs), and Chronic Condition Special Needs Plans (C-SNPs). It excludes enrollees in certain care management and coordination programs, hospice care patients, enrollees who had services paid through a coordination of benefits process involving two or more insurers, and individuals ages 100 and older. Enrollees select a primary care physician (PCP) upon enrollment or are assigned to a PCP if they do not select one, and members can change their assigned PCP after enrollment.

Primary Care Practices

A primary care practice is defined as a contracted entity with at least one UnitedHealthcare MA enrollee assigned to a PCP credentialed to deliver internal medicine, family medicine, and/or geriatric medicine during 2024. A practice can have more than one tax identification number (TIN), and/or physical address. Practices are assigned to one of three categories:

- All Optum Health practices, including WellMed practices, are defined as those where the physicians are employees of either an Optum-affiliated physician-owned practice or an Optum-owned entity, exclusively managed and supported by Optum. Practices that do not meet these ownership and employment criteria, including practices that have contracts with an Optum entity, are assigned to the hospital-based or the physician-owned category. WellMed's practices in Texas (WellMed TX) and Florida (WellMed FL) are included in the results for All Optum Health practices with employed physicians and are shown as separate subcategories.
- Hospital-based practices are defined as those submitting claims using a hospital or hospital system TIN. They include practices owned by or affiliated with hospitals, and practices owned by health plans that, in turn, are owned by hospitals.
- Physician-owned practices are defined as the remainder of practices. The vast majority are owned by individual physicians or groups of physicians. This category includes a small number of practices owned by health plans or private equity firms, which were not identified by TINs, and a small number of practices with incomplete or conflicting information regarding hospital and/or physician ownership.

Quality Comparison

The quality comparison uses UnitedHealthcare MA claims for enrollees ages 65 and older with dates of service from January 1, 2022, through February 28, 2025, and processed through February 28, 2025. To compare the quality performance of the Optum Health, hospital-based, and physician-owned PCP practices, observed-to-expected compliance ratios are calculated for enrollees assigned to each practice category using a comprehensive set of standardized quality measures. Measures include those endorsed by the National Quality Forum (NQF) or those selected or developed using information from the National Committee for Quality Assurance (NCQA), government agencies, the Pharmacy Quality Alliance (PQA), other national expert panels, or the published literature. These measures span 136 conditions and procedures across 45 specialty and subspecialty areas of clinical practice, resulting in more than 350 potential combinations of measures and conditions or procedures.

First, observed and expected compliance are calculated for each individual enrollee. The enrollee's observed compliance is the sum of all applicable measure instances where the measure criteria is satisfied. The enrollee's expected compliance is the sum of the UnitedHealthcare MA national average compliance rate for each applicable measure, which is calculated separately for each unique combination of specialty, condition or procedure, and severity level, when applicable. This approach adjusts for the mix of enrollees assigned to each practice. For measures applicable to more than one specialty, the average rate across specialties is used.

Next, observed and expected compliance are calculated for each practice by summing the observed and expected values for all enrollees assigned to the practice. Observed to expected compliance is then calculated for each practice category by summing the observed and expected values for each practice within each category. Finally, the observed-to-expected compliance ratio is calculated for each practice category by dividing the observed compliance value by the expected compliance value.

Observed-to-expected compliance ratios are calculated for all included Optum Health, hospital-based, and physician-owned practices. A percentage difference to the 1.00 average observed-to-expected ratio is calculated for each ownership category. For example, an observed-to-expected compliance ratio of 1.02 represents risk-adjusted quality of 2 percent higher than average, which is represented as 2.0 percent outperformance relative to the average. The overall observed-to-expected quality ratios for each practice category are compared to each other. Physician-owned practices underperformed the average by 0.5%. This value is set at 0.0% to serve as the benchmark for displaying the relative performance of hospital-based, Optum Health, and WellMed practices on quality.

Cost Comparison

The cost comparison uses UnitedHealthcare MA claims and capitated encounters with dates of service from January 1, 2024, through December 31, 2024, and processed through March 31, 2025. Total costs include all allowed spending, including patient cost sharing, under Medicare's medical and pharmacy benefits, which include primary care, outpatient services, hospital inpatient care, and prescription drugs. Cost for capitated encounters is computed as 100% of Traditional Medicare allowed payment for services provided in each capitated encounter. Each enrollee's annual costs are truncated at $100,000 to account for outliers and then adjusted to reflect enrollee risk scores and geography. Total costs are calculated for WellMed, Optum Health, physician-owned, and hospital-based practices and then normalized for risk score and geographic differences.

Risk scores are retrospectively measured using claims data to derive enrollees' conditions and comorbidities. The risk model assigns a value that represents the expected cost of treating those conditions and comorbidities relative to the "average" MA enrollee. The risk model and risk weights were calibrated using multi-payor data.

The risk-adjusted, geography-adjusted total costs per member per month for each practice category are calculated for each practice category and compared to each other, with 1 percent lower costs represented by 1.0 percent outperformance relative to the average. Physician-owned practices outperformed the average by 0.4%. This value is set at 0.0% to serve as the benchmark for displaying the relative performance of hospital-based, Optum Health, and WellMed practices on cost.

Citations and Notes

1 For Medicare enrollees, primary care includes family medicine, general internal medicine, and/or geriatrics.

2 Sonmez, D. et al., "Primary Care Continuity, Frequency, and Regularity Associated With Medicare Savings," JAMA Network Open, August 2023. https://pmc.ncbi.nlm.nih.gov/articles/PMC10442711/

3 Jabbarpour, Y. et al., "The Health of US Primary Care: 2025 Scorecard Report—The Cost of Neglect, How Chronic Underinvestment in Primary Care Is Failing US Patients," Milbank Memorial Fund and Physicians Foundation, February 2025. https://www.milbank.org/publications/the-health-of-us-primary-care-2025-scorecard-report-the-cost-of-neglect/

4 Sonmez, D. et al., August 2023.

5 National Academies of Sciences, Engineering, and Medicine, "Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care," National Academies Press, 2021. https://nap.nationalacademies.org/catalog/25983/implementing-high-quality-primary-care-rebuilding-the-foundation-of-health

6 U.S. Department of Health and Human Services (HHS), "Issue Brief: HHS is Taking Action to Strengthen Primary Care," November 2023. https://www.hhs.gov/sites/default/files/primary-care-issue-brief.pdf

7 Patient-Centered Primary Care Collaborative, "Make Medicare Beneficiaries Healthier by Strengthening Primary Care Chronic Conditions Weigh Heavily on Individuals, U.S. Economy," March 2025. https://thepcc.org/wp-content/uploads/2025/03/Make-Medicare-Beneficiaries-Healthier-Issue-Brief.pdf

8 HHS, November 2023.

9 Oseran, A.S. et al., "Prevalence of Chronic Medical Conditions Among Medicare Advantage and Traditional Medicare Beneficiaries," Annals of Internal Medicine, February 2025. https://www.acpjournals.org/doi/epdf/10.7326/ANNALS-24-01531

10 Jabbarpour, Y. et al., February 2025.

11 Nguyen, M.L.T. et al., "Primary Care Physicians' Experiences with and Adaptations to Time Constraints," JAMA Network Open, April 2024. https://doi.org/10.1001/jamanetworkopen.2024.8827

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13 O'Malley, A.S. et al., July 2024.

14 Jabbarpour, Y. et al., February 2025.

15 Optum Health 2025 analysis of 2024 WellMed administrative and claims data for patients in Texas and Florida.

16 Do, L.A. et al., "State-Level Variation in Low-Value Care for Commercially Insured And Medicare Advantage Populations," Health Affairs, September 2022. https://www.healthaffairs.org/doi/10.1377/hlthaff.2022.00325

17 Do, L.A. et al., September 2022.
Utilization rates and associated spending on 23 low-value care services were calculated per 100,000 eligible enrollees, using data from commercially insured and Medicare Advantage claims for all 50 states and Washington, D.C.

18 Do, L.A. et al., September 2022.

19 Do, L.A. et al., September 2022.

20 Mafi, J. N. et al., "Association of Primary Care Practice Location and Ownership With the Provision of Low-Value Care in the United States," JAMA Internal Medicine, June 2017. https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2617278

21 Whaley, C.M. and Zhao, X., "The effects of physician vertical integration on referral patterns, patient welfare, and market dynamics," Journal of Public Economics, October 2024. https://www.sciencedirect.com/science/article/abs/pii/S0047272724001117

22 WellMed assumes full financial risk for medical costs under Medicare Parts A and B, including Part B drugs, for about 90 percent of its Medicare Advantage (MA) patients served by employed primary care physicians. For the remaining 10 percent of patients, WellMed assumes partial financial risk, where MA plans pay WellMed a fixed amount per enrollee to cover some, but not all, covered services and to ensure quality outcomes.

23 UnitedHealth Group 2025 analysis of UnitedHealthcare MA claims. See Methodology for details.

24 For detailed information about all measures described here, see:
Centers for Medicare & Medicaid Services, "Medicare 2026 Part C & D Star Ratings Technical Notes," Updated September 25, 2025. https://www.cms.gov/files/document/2026-star-ratings-technical-notes.pdf

25 Special Needs Plans, established by the Medicare Modernization Act of 2003, are MA coordinated care plans designed to provide targeted care and services to individuals with unique needs.

26 Percent of MA enrollees ages 50 to 75 who had an appropriate and current screening for colorectal cancer.

27 Percent of women MA enrollees ages 50-74 who had a mammogram to screen for breast cancer in the past two years.

28 Percent of MA enrollees ages 18 to 85 with a diagnosis of high blood pressure who received treatment and were able to maintain a healthy pressure.

29 Percent of Part D enrollees age 18 years and older with a prescription for blood pressure medication who filled their prescription often enough to cover 80 percent or more of the time they are supposed to be taking the medication.

30 Percent of Part D enrollees age 18 years and older with a prescription for cholesterol medication who filled their prescriptions often enough to cover 80 percent or more of the time they are supposed to be taking the medication.

31 Percent of Part D enrollees age 18 years and older with a prescription for diabetes medication who filled their prescription often enough to cover 80 percent or more of the time they are supposed to be taking the medication.

32 Percent of Part D enrollees ages 40 to 75 who were dispensed at least two diabetes medication fills on unique dates of service and received a statin medication fill during the measurement period.