

Primary Care Investment Council 2023 Report:

I am submitting this report on behalf of the Governor's appointed Primary Care Investment Council (PCIC), because of the enactment of LB 863 (2022). Our initial PCIC meeting was held on November 14th, 2022, and I was elected chairperson. The PCIC met subsequently throughout 2023. Primary care is important to the health of individuals and has been associated with better health outcomes at lower costs. As a means of background, on December 27, 2020, the federal Consolidated Appropriations Act (CAA), 2021, Public Law 116-260, became law. It requires group health plans, health insurance issuers, and health insurance plans to provide data to the federal government on the total amount of spending on hospital costs; health care provider and clinical service costs, for primary care and specialty care separately; costs for prescription drugs; and other medical costs, including wellness services. The purpose of the PCIC is to establish a baseline for the amount of healthcare spend in Nebraska that is allocated to primary care, and if insufficient explore options for increasing the allocation to primary care. One option is to analyze the data collected by the federal government in accordance with the CAA as well as other pertinent state data sources. These other data sources could be from Accountable Care Organizations (ACO's), commercial plans and Nebraska Medicaid health plans. The spend on primary care preventative care, patient centered medical homes along with quality interventions will be able to demonstrate the improved health outcomes and cost savings. Our goal is to assist the Legislature in understanding the following:

- The current amount of health care spending on primary care in Nebraska from public and private sources
- Barriers to residents of Nebraska accessing primary care
- Barriers to health payors and medical providers in investing in primary care
- Alternative payment models that deliver high-quality care and spend health care dollars more wisely
- The public health benefits for Nebraska residents if the level of primary care investment in Nebraska increased
- The estimated cost savings for health care consumers as well as public and private payors if the level of primary care investment increased in Nebraska
- Nebraska's investment in primary care services relative to other states
- Health outcomes in Nebraska relative to other states

Our work as a council has been hampered by circumstances that are beyond our control, including the lack of data, managing administrative duties, and vacancies on the council. First, the federal Centers for Medicare and Medicaid Services (CMS) has not released the data that would allow us to analyze primary care spending in Nebraska and other states. We have inquired with Nebraska's congressional delegation about when this information will be made public. We were informed that CMS will make the data public, but it is not clear when that will happen. Additionally, as chairperson, I have been able to utilize my administrative assistant and our corporate office to host the meetings with both an in person as well as virtual meeting option. In the future, the Nebraska Medical Association has agreed to host these meetings at their Lincoln office for continuation of in person and virtual options. Finally, there are a number of vacancies on the council which has hampered our ability to provide diverse representation on the council thus, our council has recruited a non-voting advisory council of various Nebraska healthcare and business leaders/experts to help advance our work. Of the roles listed, we have six out of fifteen voting members seats filled and both of our two ex officio, nonvoting members. The Primary Care Investment Council has had the following voting members throughout 2023:

1-Three representatives of primary care physicians, one representing each congressional district:

- a. 1st district: **vacant**

- b. 2nd District: **vacant**
- c. 3rd District: **Dr Rob Messbarger, Family Physician, Kearney, Chairperson elect 2024**

2-A representative of behavioral health providers

- a. **Dr Todd Stull, Board Certified Psychiatrist, Lincoln**

3- A representative of hospitals: **vacant**

4- A representative of academia with experience in health care data: **vacant**

5-Two other representatives of health providers who are not primary care physicians or hospitals:

- a. **Dr Dave Watts, Dermatologist, Omaha**
- b. **Vacant**

6-Three representatives of health insurers, one of which shall be a representative of a managed care organization (MCO):

- a. **Jenny Ulm, Medica (Medicare), Omaha**
- b. **Dr Josette Gordon-Simet, CMO BCBS NE (Commercial), Omaha**
- c. **Dr Rob Rhodes, President/CEO of Healthy Blue NE (Medicaid MCO) Lincoln, Chairperson**

7-One representative of large employers that purchase health insurance for employees, which representative is not an insurer: **vacant**

8-One representative of small employers that purchase group health insurance for employees, which representative is not an insurer: **vacant**

9-One health care consumer advocate who is knowledgeable about the private health insurance market: **vacant**

10-A representative of organizations that facilitate health information exchange in Nebraska: **vacant**

11-The following officials or their designees shall serve as ex officio, nonvoting members:

- a. The Director of Insurance: **Director Eric Dunning**
- b. The Director of Medicaid and Long-Term Care of the Division of Medicaid and Long-Term Care of the Department of Health and Human Services: **Director Kevin Bagley**

While we understand this is a multiyear longitudinal council that will make recommendations to the stakeholders such as the Unicameral and the Governor, we want to stress the importance of the value of a primary care medical home for Nebraskans and to know that quality care delivered by those primary care providers helps Nebraskans live healthier lives and reduce costs over time. As a result of investing in prevention and education and directing Nebraskans to a primary care medical home, there is proven cost savings in proven categories that we will outline below. Our task was to start to answer the following:

(1) **Develop an appropriate definition for primary care investment.** We have chosen to first define primary care and chose the CMS definition of primary care: “Primary care is a range of health services that cover prevention, wellness, and treatment for common illnesses. Providers include doctors, nurses, nurse practitioners, and physician assistants. They often maintain long-term relationships with patients and advise and treat a range of health-related issues. Primary care includes health promotion, disease prevention, health maintenance, counseling, patient education, diagnosis,

and treatment of acute and chronic illnesses in a variety of health care settings.” The “investment” piece of our PCIC is more complex and difficult. Our council is limited in its membership to date, and each member has a bias or a potential agenda to be aware of. As the PCIC works to accomplish our goal, we ask that stakeholders consider the complexity as well.

(2) Measure the current level of primary care investment, measured as a part of overall health care spending, by public and private payors in Nebraska. The federal Centers for Medicare and Medicaid Services (CMS) has not released the health spending data that health plans have submitted according to the CAA. Until we have access to the data CMS has collected outlining overall health care spend, along with state Medicaid data, this request is pending. Alternatively, the state of Nebraska could start analyzing its own Medicaid data, commercial plans could offer to analyze some of their data, and the state’s Accountable Care Organizations could share some of their data.

(3) Conduct a comparison of spending on primary care services and health outcomes in Nebraska with surrounding states and nationally. Pending access to data from CMS.

(4) Develop an appropriate target level of primary care investment by public and private payors in Nebraska. Our PCIC suggests a tiered approach over time to enhance primary care and its services. While this is a work in progress, we understand in looking at other states surrounding Nebraska as well as other states with similar asks to address the primary care investment rate, that this could range from 4-12% depending on how primary care is defined. It is our thought that we consider starting from a baseline once we have data and then implement a gradual 1% increase per year over the next 5 years as other states (e.g., Rhode Island) have done or other states (e.g., Colorado) are doing. Monitoring the investment as well as potential savings would be helpful. There are several Nebraska based Accountable Care Organizations (ACO’s) that are willing to share some past examples and data to support this. This tiered approach will require concurrent monitoring of consistent quality measures. We suggest using the ALIGN measures already in place in Nebraska.

(5) Recommend strategies to achieve the target level of primary care investment through alternative payment models. Pending.

(6) Identify the public health benefits and estimated cost savings that would result from meeting the target level of primary care investment through alternative payment models. Pending.

(7) Identify solutions to barriers for Nebraska residents from accessing primary care and for health payors and medical providers from investing in primary care. Pending

In review, this is more than a healthcare issue. This is a workforce issue (less take-home pay as premiums go up plus the burden of the cost of care). This is a quality of life issue for Nebraska citizens (better health outcomes with the ability to live and work longer in Nebraska). This is an employer and business expense issue (ever increasing premiums and missed work for illness), and it is certainly a State of Nebraska expense issue. Other states have seen success in lowering their healthcare costs by investing more in primary care, and it is my hope as well as the PPIC, that Nebraska is trying to be a leader in this area by doing the same.

On behalf of the voting members of the Primary Care Investment Council,



Dr. Rob Rhodes

November 7, 2023

