

Primary care is often described as the backbone of the U.S. healthcare system. With policymakers, business leaders and consumer groups all agreeing on the importance of improving healthcare quality while reducing healthcare spending, primary care and the patient-centered medical home model took a front seat during the federal healthcare reform negotiations.

This policy snapshot provides an overview of the concepts of primary care and medical homes, including the advantages they offer and the challenges they face.

Role of Primary Care in Healthcare

Primary care, as the name suggests, is intended to be the first stop as patients address a healthcare issue. The term primary care is heard frequently in healthcare conversations, but what exactly does it encompass? In policy circles, the following three definitions of primary care emerge.¹

- 1. A specialty of medical providers:** While for many, the family physician is the first medical provider that comes to mind when considering primary care practitioners, primary care is also provided by general internists, geriatricians, nurse practitioners, physician assistants, and in some parts of the country, osteopathic physicians.²
- 2. A set of functions served by a usual source of care:** According to this definition, an individual has a usual source of care that meets four main criteria, which include first-contact care, comprehensiveness, continuity of care over time, and care coordination across providers.³
- 3. An orientation of health systems:** Under this definition of primary care, a health system oriented towards primary care would, for example, have a high primary care-to-specialist ratio and a high ratio of physicians to patients.⁴

Importance of Primary Care Well Established

The importance of primary care is underscored by research demonstrating the positive benefits associated with having a usual source of healthcare. Patients who have a usual source of care have lower utilization rates and lower costs of care, receive more preventive services, and report better patient experience scores than those without a usual source of care.⁵ Furthermore, primary care may also help eliminate health disparities based on race and ethnicity.⁶

In 2006, 568 million visits were made to primary care physicians in the U.S., accounting for 57 percent of all visits. Yet primary care is relatively inexpensive compared to other types of care, despite its high volume. Primary care patient visits comprise only an estimated 6 to 7 percent of total healthcare expenditures for Medicare beneficiaries.⁷ Given the vast research base supporting the benefits of primary care, policymakers and others have focused attention on ways to enhance the current system of primary care to contain healthcare spending and achieve higher quality care for patients.

Access a Problem in Some Areas

While the importance of primary care has been well established, obtaining care is not without its challenges. For one, access to primary care is hampered by a shortage of practitioners, particularly for the 65 million Americans who currently live in primary care shortage areas.⁸ For those living in rural areas, the primary care shortage is felt most acutely. Whereas the ratio of primary care physicians to population is 100 per 100,000 in urban areas, it is just 46 per 100,000 in rural areas.⁹

The field has struggled to attract sufficient primary care physicians given the lower pay they typically receive compared to more lucrative specialties, as well as the longer hours many primary care doctors work. However, there are signs that the supply of primary care physicians may be growing. The number of U.S. medical students entering primary care residency positions this year rose 11 percent from 2010, the second consecutive year of increases.¹⁰

Addressing the supply of primary care providers can help ease shortage issues, but some believe this will not completely solve access problems – that instead we need to reorient the system of healthcare towards being primary-care focused.¹¹



Reimbursement Issues Linger

Reimbursement issues have also impacted access to primary care, depending on a patient's insurance. Insufficient reimbursement has led some primary care practitioners to limit the number of Medicaid or Medicare patients they will accept.¹²

A perhaps more prevalent problem, however, is that the way in which primary care practitioners have historically been reimbursed for services also provides a disincentive for providing some of the services that would arguably be of highest value both to the patient and for holding down healthcare spending. Anything that happens outside of the patient visit, such as care coordination, has typically not been reimbursed by payers. Furthermore, while technological advances such as e-mail have created additional vehicles for patients and providers to communicate, the majority of payers have yet to catch up by reimbursing providers for time spent communicating outside of face-to-face patient visits.

Can Patient-Centered Medical Homes Address our Primary Care Needs?

What is a Patient-Centered Medical Home?

Over time, stakeholders have come to expect more from primary care practices. To address some of primary care's current challenges, the patient-centered medical home model has been promoted as a way to strengthen primary care, improve outcomes, and handle rising healthcare spending.

The concept of a medical home is not new. The American Academy of Pediatrics first advanced the idea in 1967, as the ideal for care for children with special healthcare needs.¹³ Twenty-five years later the American Academy of Pediatrics developed principles for the medical home, yet the concept really gained momentum during the recent federal healthcare reform conversations as a way to redesign primary care to better meet the needs of patients.

In essence, a patient-centered medical home is “a more complete example of primary care... characterized by relationships between patients and teams of providers that endure over time. Providers offer a broad scope of practice, healthcare integration, and transition management, and they work closely with community support services as well. As envisioned, a patient-centered medical home is undergirded by robust information systems that enable quality improvement through systematic preventive services delivery, utilization monitoring, and population health tracking.”¹⁴

What Do We Know About How Successful They Are?

Various forms of medical homes have been tested over the past 40 years, with at least 100 medical home demonstrations having been performed.¹⁵ Some research suggests patient-centered medical homes can contribute to: more positive care experiences for patients; higher quality care; more efficient care; better coordination of care; fewer medical errors; and the elimination of racial and ethnic disparities in care.¹⁶ In terms of cost containment, a few studies have shown patient-centered medical homes have led to reduced medical costs, while others have shown mixed results.¹⁷

In an analysis of seven of the largest and most successful medical home demonstrations across the country, four common features were found to be present: dedicated non-physician care coordinators; expanded access to health practitioners; accessible, real-time data to manage performance and track patients; and the use of incentive payments for providers.¹⁸ To date, successful medical home demonstrations have sprung from integrated service delivery networks that have the capital and infrastructure to support this type of primary care model.¹⁹

How Easy or Challenging Will They Be To Implement?

The federal healthcare reform law encourages practices to move to a patient-centered medical home model, yet implementing this model successfully may take time. According to a 2008 Congressional Budget Office study, only 1 percent of practices met the Centers for Medicare and Medicaid Services medical home demonstration project criteria.²⁰ Barriers to the implementation of medical homes include: developing new payment models, accessing up-front funding needed to ensure the necessary infrastructure and personnel, physician time constraints, and provider and consumer resistance.²¹

Despite challenges, states and providers are moving forward with implementing medical homes. As of early 2010, 22 states had one or more public, private or public-private medical home pilot programs. To address reimbursement challenges, at least 38 states are already experimenting with increasing Medicaid reimbursement rates for primary care delivered in a medical home.²² Several provisions in the federal healthcare reform law address primary care reimbursement, including an increase in fee-for-service Medicaid and Medicare reimbursement rates to primary care practitioners for primary care services.²³ Furthermore, the federal healthcare reform law authorizes Medicaid and Medicare pilot programs to test patient-centered medical homes.

In 2010, a bill unanimously passed the Ohio General Assembly to establish 44 patient-centered medical homes throughout the state. According to the legislation, participating practices would receive training in becoming a medical home as well as assistance in implementing necessary information technologies.²⁴ Currently, an advisory group is notifying those practices, among the 64 applicants, that have been selected to participate. The project is expected to commence later this summer.²⁵

Conclusion

The patient-centered medical home model has been touted as a way to improve the quality of healthcare while reducing healthcare spending, and some existing research suggests positive benefits can stem from this approach. Certainly a more robust primary care system will not on its own solve the spending and quality problems in the healthcare system, but the patient-centered medical home holds promise for solving some of the reimbursement problems that have plagued primary care – which may in turn draw more professionals into the primary care field, thereby helping to lessen some of the access problems that have persisted under traditional primary care.²⁶

Endnotes

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