Primary Care Payment Reform Collaborative Meeting

April 10, 2025

Agenda

- Housekeeping & announcements
- Federal & state updates
- Priorities for 2025
- Public comment

Meeting Goals & Requested Feedback

GOALS

- Catch up on federal and state activities
- Identify 2025 priorities

FEEDBACK

- Understand key issues, discuss mechanisms for tracking concerns & opportunities
- Identify priorities, look at tentative scheduling for 2025

* * Incorporate equity into discussion and recommendations * *

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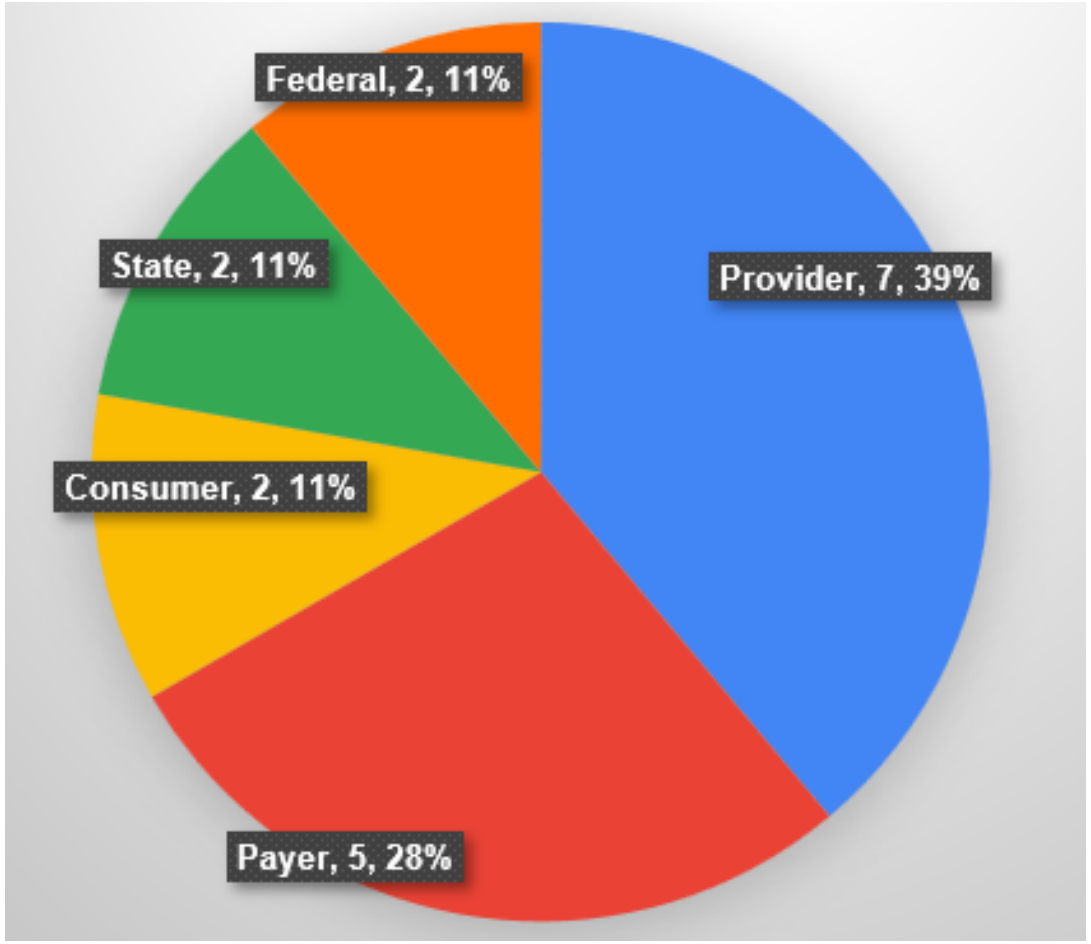
Housekeeping & Announcements

Housekeeping & Announcements

- Meeting minutes – approve Dec and Jan meeting minutes
- Sixth Annual Recommendations Report posted
- Membership update

CURRENT PCPRC MEMBERSHIP



Housekeeping & Announcements

- Sunset review update
  - SB25-193 Sunset Primary Care Payment Reform Collaborative
    - https://leg.colorado.gov/bills/sb25-193
  - Passed Senate Health & Human Services Committee (HHS) by 8-1 vote
    - Amendment (L001) – explicitly includes pediatric primary care providers, and APMs responsive to needs of primary care providers in pediatrics

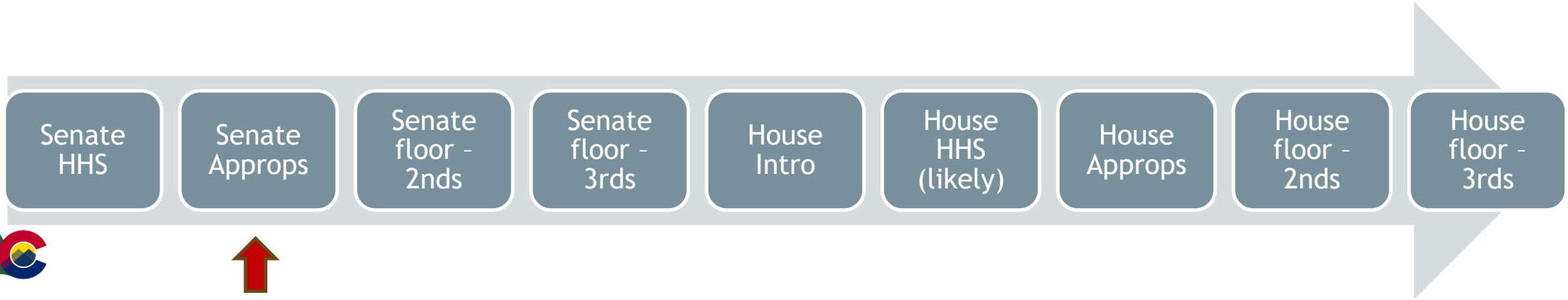
PRIME SPONSORS


Senator
Matt Ball


Senator
Kyle Mullica


Representative
Lori Garcia Sander


Representative
Karen McCormick



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Federal & State Updates

Federal Updates

- HHS leadership appointments
  - Robert F Kennedy Jr - Secretary
  - Mehmet Oz – Administrator, CMS
  - Abe Sutton – Director, CMMI; Deputy Administrator, CMS
    - Co-founded 2 health services companies, focusing on enabling primary care (Honest Health) and nephrology (Evergreen Nephrology) providers
    - Prior Trump Administration (National Economic Council, Domestic Economic Council)
- HHS activities
  - Transformation to Make America Healthy Again
    - Save money through workforce reductions; streamline functions (28 → 15 divisions)
    - New priority: ending America's epidemic of chronic illness by focusing on safe, wholesome food, clean water, and the elimination of environmental toxins
    - Administration for Healthy America (AHA) – combines OASH, HRSA, SAMHSA, ATSDR, NIOSH into single entity
    - Office of Strategy – merging ASPE and AHRQ

Federal Updates

- CMMI Model Portfolio Changes
  - Based on statutory goals of reducing program spending while maintaining or improving quality care; actions will save estimated ~$750,000,000
  - 4 models identified to end early:
    - Maryland Total Cost of Care (2019-2026)
    - Primary Care First (2021-2026)
    - ESRD Treatment Choices (2021-2027; propose termination through rulemaking)
    - Making Care Primary (2024-2034)
  - 2 previously announced but not yet implemented models ending
    - Medicare $2 Drug List
    - Accelerating Clinical Evidence
  - Primary care remains foundational component of Center's strategy
    - Early termination of PCF and MCP "does not signal a retreat from support of primary care providers, but rather a need to focus on different approaches that are consistent with CMMI's statutory mandate and produce savings"

Federal Updates

- CMS rulemaking
  - 2025 Marketplace Integrity and Affordability Proposed Rule
    - Policy and operational changes related to affordability and benefits, administrative requirements, and eligibility
    - New CMS Proposed Rule: ACA Marketplace Integrity – State Health & Value Strategies
  - Medicare Advantage Payment Rate Announcement for Calendar Year 2026
    - Finalized 5.06% increase of average benchmark payments
    - Finish phase-in of risk adjustment model changes and removing medical education costs from expenditures in growth rate calculations
  - Contract Year 2025 Medicare Advantage and Part D Final Rule
- Budget reconciliation – underway in Congress
  - House and Senate must pass identical versions of budget resolution to access reconciliation
  - House passed version in Feb; Senate passed version on Sat (4/5); House vote pulled last night
  - Reconciliation Process FAQs – Congressional Research Services

Attorney General Lawsuits

On behalf of Colorado, Attorney General Phil Weiser has joined at least 13 lawsuits against the Trump administration since January

- Federal election changes
- Health & Human Services grant cuts ($11 billion)
- Department of Education cuts (staff layoffs)
- K-12 Teacher Preparation Grants (training in rural school districts)
- Defending Consumer Protections Bureau
- Birthright citizenship
- Gender-Affirming Care (EO ending federal spending to hospitals, criminalizes doctors)
- Defunding medical & public health research (indirect costs capped at 15%)
- Federal worker buyout
- DOGE access to payment systems
- Federal funding freeze ($3 trillion in federal assistance

Federal Updates

- Primary Care Enhancement Act - introduced
  - Would allow HSA-HDHP enrollees to pay for direct primary care
  - Goal: improve access to preventive and routine healthcare services
- Medicaid Primary Care Improvement Act - introduced
  - Clarifies states can offer direct primary care (DPC) arrangements in Medicaid
  - Directs HHS to support states in adopting DPC through implementation guidance, stakeholder engagement, cost and quality of care analyses
- CMMI policy update
  - Data on race, ethnicity, sexual orientation, gender identity and preferred language will no longer be collected from model participants
  - Collection of self-reported disability status “pending further review”

Federal Updates

- Standing Committee on Primary Care
  - March 6 Open Meeting – recording available here
  - May 29-30 In-Person Open Meeting
- Milbank 2025 Primary Care Scorecard
  - Webinar recording here
- PCPCC Webinar Series: Why Don't Patients Have More Time with Primary Care?
  - How Can We Simplify Value-Based Primary Care – 4/16 at 11 MT
  - Register here
- CMS Quality Conference (March 17-19) postponed

State Updates

- Legislative updates
  - Started on Jan 8, will adjourn May 7
  - ~682 bills
    - 100 Postponed indefinitely
    - 88 signed by Governor
    - No vetoes
  - Reproductive health
    - SB25-129 Legally Protected Health-Care Activity Protections
    - SB25-183 Coverage for Pregnancy Related Services
  - Gender-affirming care
    - HB25-1309 Protect Access to Gender-Affirming Health Care
    - HB25-1312 Legal Protections for Transgender Individuals

State Updates

- Legislative updates
  - SB25-010 Electronic Communications in Health Care
  - SB25-017 Measures to Support Early Childhood Health
  - SB25-048 Diabetes Prevention & Obesity Act
  - SB25-118 Health Insurance Prenatal Care No Cost Sharing
  - SB25-126 Uniform Antitrust Pre-Merger Notification Act
  - SB25-152 Health-Care Practitioner Identification Requirements
  - HB25-1002 Medical Necessity Determination Insurance Coverage
  - HB25-1088 Cost for Ground Ambulance Services
  - HB25-1162 Eligibility Redetermination for Medicaid Members

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Priorities for 2025

Recent Events Have Made Primary Care More Fragile

- Freeze on federal grant dollars
  - Community health centers regaining access to funds
  - Implications for sustainability, lack of trust in federal partners
- New threats to primary care safety net
  - Three federal programs facing continued uncertainty
    - Community mental health centers
    - National Health Service Corps - medical loan repayment and scholarships
    - Teaching Health Center program – residency training in community clinics
  - What will Medicaid cuts mean?
    - Financial pressure may lead to closed sites, layoffs, limiting hours and services
    - Chilling effect on future workforce
  - Will federal partners still be there?

https://www.milbank.org/publications/report-from-the-frontlines-of-us-primary-care-on-the-impact-of-recent-federal-policy-changes/

Report from Front Lines of US Primary Care

Impact of Recent Federal Policy Changes Survey
Larry A. Green Center for the Advancement of Primary Health Care for the Public Good

Practice Characteristics		Clinician Characteristics	
Self-owned	27%	White	82%
Hospital-owned	45%	Ethnic/racial minority	16%
Small (1-3 clinicians)	23%	Female	62%
CHC/FQHC	24%	Family Medicine	66%
Direct Primary Care	14%	Internal Medicine	14%
Residency site	23%	Pediatrics	9%
Rural	18%	MD/DO	75%
		NP	19%

- Clinicians located in five states were responsible for 48% of responses: Virginia (19%), Rhode Island (11%), California (6%), **Colorado (6%)**, and New York (5%)
- 70% of responses originated in states that Kamala Harris won

https://www.milbank.org/publications/report-from-the-frontlines-of-us-primary-care-on-the-impact-of-recent-federal-policy-changes/

Report from Front Lines of US Primary Care

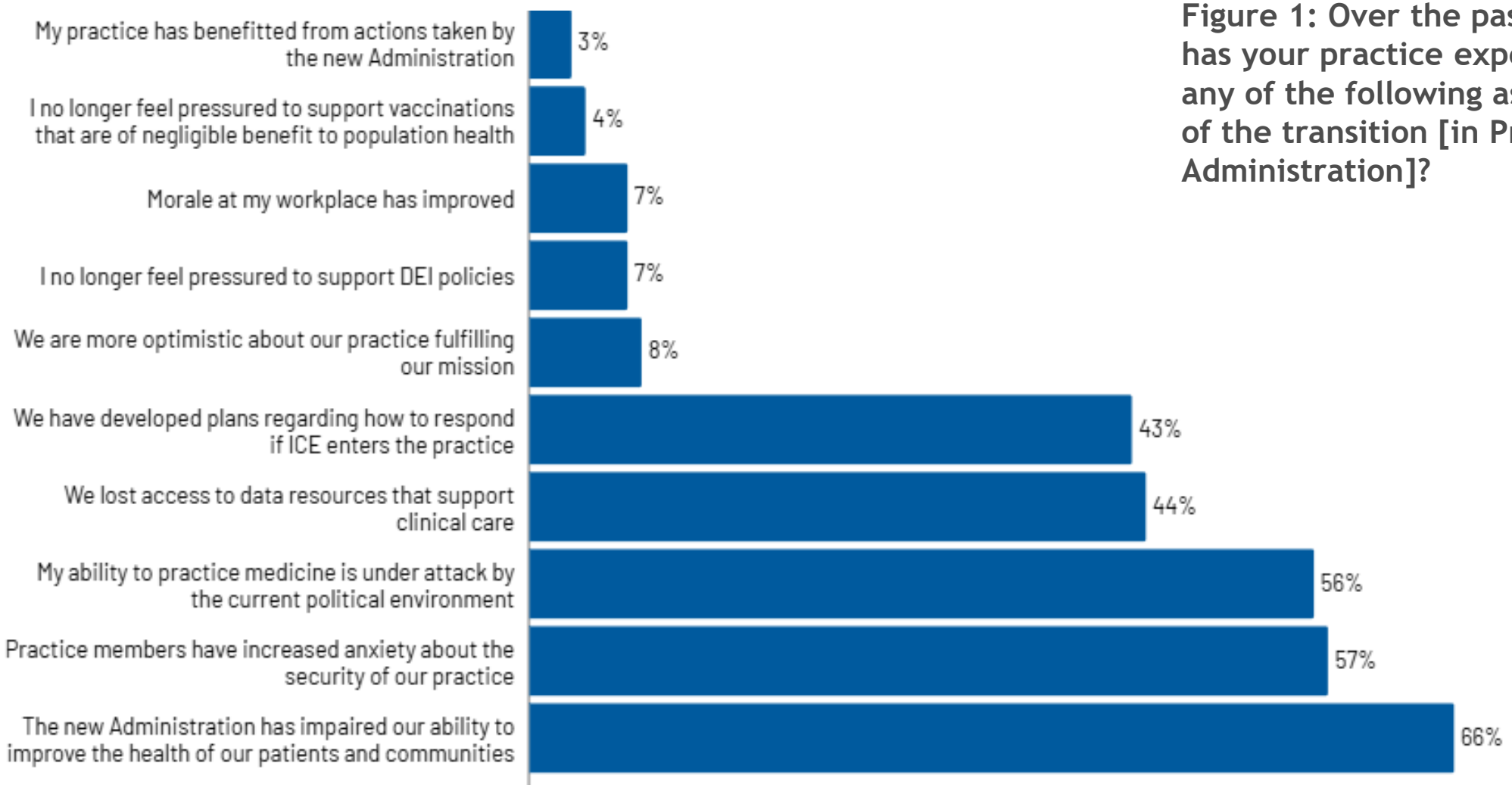
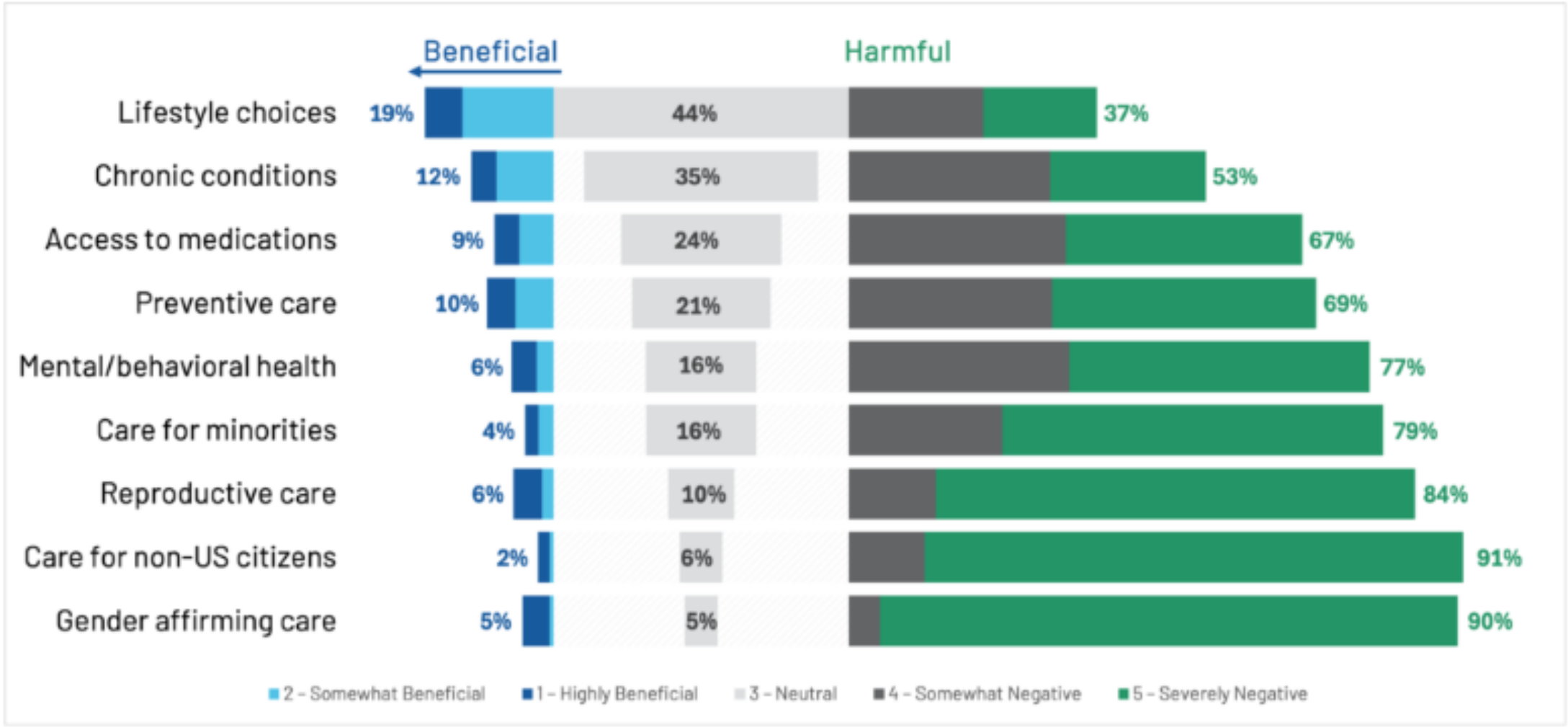


Figure 1: Over the past month, has your practice experienced any of the following as a result of the transition [in Presidential Administration]?

https://www.milbank.org/publications/report-from-the-frontlines-of-us-primary-care-on-the-impact-of-recent-federal-policy-changes/

Report from Front Lines of US Primary Care

Figure 2: Primary care clinician ratings of potential policy effects on types of care



https://www.milbank.org/publications/report-from-the-frontlines-of-us-primary-care-on-the-impact-of-recent-federal-policy-changes/

Report from Front Lines of US Primary Care

- Federal funding cuts
  - Many primary care settings, particularly those who care for vulnerable populations, supported by federal grants, rely on direct or indirect government funding for sustainability
  - *"If the halt on federal grants goes through, we will lose 10% of our budget. My transgendered patients are suffering. My recently immigrated patients are suffering. I am suffering from anxiety and depression."*
- Impact of curtailed research on population health
  - *"I am extremely distressed about the huge disruption of funding for medical research that will have a devastating impact on the NIH's mission to enhance health, lengthen life, and reduce illness and disability."*

https://www.milbank.org/publications/report-from-the-frontlines-of-us-primary-care-on-the-impact-of-recent-federal-policy-changes/

Report from Front Lines of US Primary Care

- Professionalism and Well-Being
  - Two-thirds of clinicians agree “the medical profession has been compromised by the new Administration”
  - Nearly 60% of respondents agree that their “level of mental exhaustion is high” while just 35% agree that their “practice is thriving
  - Notable hope among the 57% of clinicians who report they “usually leave work satisfied I was able to provide my patient the care they needed”

- Recommendations
  1. Securing US population health is paramount
  2. Maintain professionalism through self-determination and data-driven decision
  3. Monitoring systems are needed to continuously assess the real time effect of rapid policy change on patients and primary care practices

https://www.milbank.org/publications/report-from-the-frontlines-of-us-primary-care-on-the-impact-of-recent-federal-policy-changes/

From Laggard To Leader

1. All Americans should have access to affordable, comprehensive health coverage & care.
2. Integrated primary care should provide an anchor for the health and well-being of all Americans.
3. Improvements in health outcomes should be incentivized through population-based payment.
4. Social determinants of health and health equity efforts should be prioritized.
5. Financing should be simplified to minimize administrative complexity and enhance efficiency.
6. Transparency and organizational professionalism should serve as foundations for accountability.
7. Health systems should embrace data-driven decision making and a culture of continuous learning.
8. Robust governance and accountability measures are necessary to protect the health and needs of communities.

https://www.healthaffairs.org/doi/10.1377/hlthaff.2024.01007

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PCPCR Priorities Survey

2025 Goals

This will be my first full year participating, so just getting a sense of the full process

- To further advance primary care investment goals/targets;
- Draw attention to access to care issues (especially in rural);
- Start to lay the regulatory framework for AI in health care;
- Create a comprehensive, statewide primary care strategy (possibly including a state-level scorecard)

Continue to influence how Primary Care is funded and resourced in Colorado

Ensure the PCPRC work continues and makes a difference for primary care in CO

2025 Goals

My goals for the PCPRC this year focus on ensuring that primary care payment reforms enhance affordability, maintain access, and promote value-based care without adding unnecessary costs or administrative burdens.

1. **Affordability & Sustainability** – Advocate for payment reforms that improve primary care investment while maintaining affordability for consumers and employers. We support sustainable models that do not drive-up premiums or impose unfunded mandates on health plans.
2. **Alignment & Consistency** – Promote alignment across stakeholders (payers, providers, policymakers) to avoid fragmented or duplicative initiatives. We seek consistency in quality measures, reporting requirements, and payment models to reduce administrative complexity.
3. **Value-Based Innovation** – Encourage reforms that advance value-based care models rather than fee-for-service increases. Our focus is on incentivizing high-quality, patient-centered care rather than simply increasing reimbursement.
4. **Data-Driven Decision-Making** – Support the use of transparent data to assess the impact of primary care investments. We advocate for data-sharing mechanisms that allow for meaningful evaluation of cost, quality, and patient outcomes.
5. **Equitable and Accountable Care** – Ensure that reforms promote equitable access to primary care while holding all stakeholders accountable for cost and quality improvements.

2025 Goals

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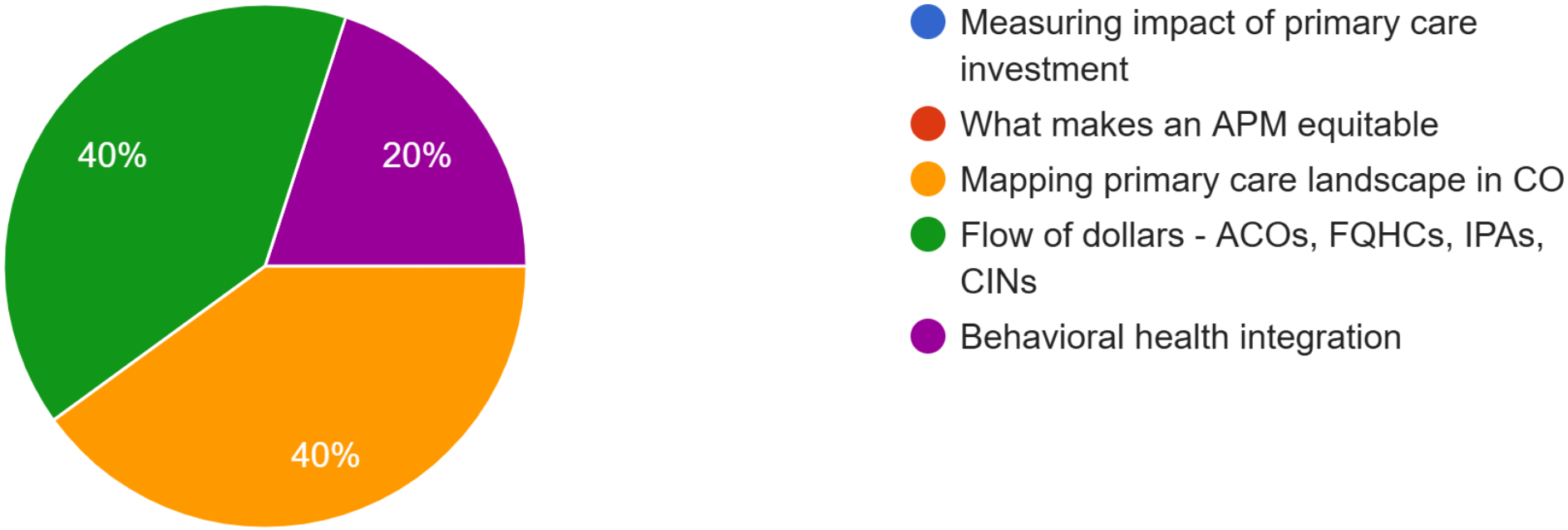
Code: 9778 3184

2025 Priorities

3) What issues or topics would you like to see the Collaborative address this year?

5 responses



2025 – Additional Topics

Where are patients getting primary care (i.e., health systems, independent practitioners, disruptors such as One Medical, HIMS/HERS, etc.) and how is that changing?

Flow of dollars - ACOs, FQHCs, IPAs, CINs

- Impact of federal policy changes on Colorado healthcare providers
- Medicaid enrollment declines with proposed budget cuts
- Workforce challenges
- MA shortages
- Streamlining value-based payment quality work that feels meaningful and lucrative
- Less burdensome, behavioral health integration

- All of the topics in #3 are important
- Artificial Intelligence
- Cuts to the Medicaid program
- Medicare Advantage
- Prior authorizations
- Tort reform

How to engage non-governmental actors in primary care reform initiatives

2025 Priorities

www.menti.com

Code: 9778 3184

2025 – Speakers, Initiatives, Research

National Experts on Value-Based Payment Models	• Dr. Mai Pham (former Chief Innovation officer at CMS) • Dr. Mark McClellan (Duke-Margolis Center for Health Policy) • Health Plan Innovation Leaders
Payer Organizations	• Reps from AHIP on national trends in primary care investment • Executives from CO-based Health plans to discuss successful primary care payment models in practice
Actuarial & Economic Experts on Primary Care Investment	• Experts from Milliman, Wake or RAND • Research on how increased primary care spending impacts total costs of care, premiums, and affordability
State Policy & Implementation Experts	• Officials from states like Oregon, Rhode Island, or Washington that have implemented primary care investment policies and can share lessons learned

2025 Priorities

Key Research & Reports of Interest:	• Recent Studies on Primary Care Spending & Affordability • How shifting payments to PC impacts overall healthcare costs, premiums • Effectiveness of APMs vs. fee-for-service in improving outcomes
DOI & HCPF Data Insights	• Further discussion on DOI's primary care spending analysis and how it aligns with broader cost containment strategies • Updates on HCPF's Alternative Payment Model efforts
Initiatives of Interest:	• CO-Specific Payment Innovation Pilots: Examples of successful health plan-driven primary care payment initiatives • Case studies on risk-sharing arrangements and care coordination efforts that have improved patient outcomes
Technology & Data-Sharing Initiatives	• How real-time data sharing and interoperability can enhance primary care effectiveness in a value-based model

2025 – How Can the DOI Support Participation?

At least 1 week to review materials

Continue with support as is - you are doing great!

I would find it helpful to learn a little more about other participants - each one of us brings a unique perspective, and it would be helpful to learn more about what those perspectives are.

You do a great job of sending the materials ahead of time and providing multiple opportunities for us to contribute!

2025 – How Can the DOI Support Participation?

Ensuring a Balanced Discussion	• Facilitate discussions that allow for diverse perspectives, including the voices of health plans, providers, employers, and consumers. A balanced approach ensures that affordability and sustainability remain central to reform efforts.
Clear Agendas & Advance Materials	• Providing meeting agendas, relevant materials, and discussion topics well in advance allows CAHP to prepare meaningful contributions. Clear objectives for each meeting will help drive productive conversations.
Data Transparency & Collaboration	• Ensuring that shared data and analyses are accessible and reflective of real-world implications for health plans and consumers. Collaborative discussions on data interpretation will help inform practical, sustainable reforms.

2025 – How Can the DOI Support Participation?

Defined Goals & Measurable Outcomes	• Establishing clear priorities for PCPRC and defining how success is measured will help CAHP and other stakeholders align efforts effectively.
Flexible & Efficient Meetings	• Structuring meetings to maximize efficiency—such as targeted workgroups, virtual participation options, or defined time for key stakeholder input—can improve engagement and allow for more substantive discussions.
Recognition of Market Realities	• Acknowledging regulatory and financial constraints that health plans navigate when implementing reforms ensures that recommendations are actionable and sustainable.

2025 – How Can the DOI Support Participation?

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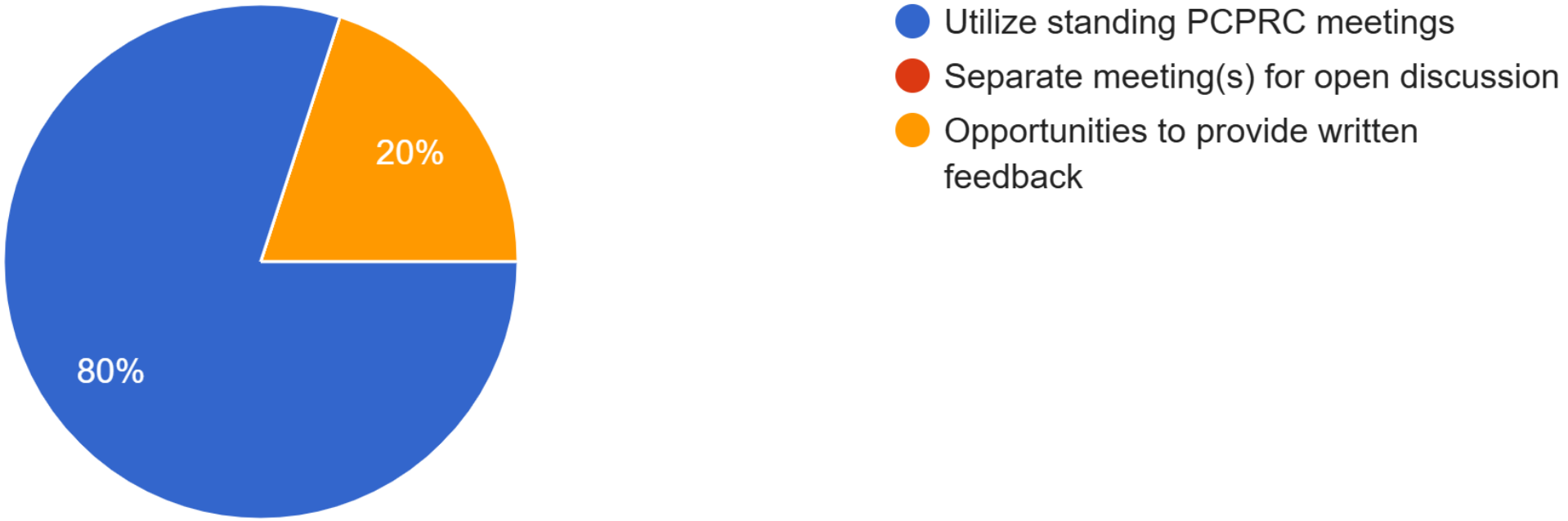
Code: 9778 3184

Aligned APM Parameters Implementation

2025 – Review of Aligned APM Parameters

6) What are the best mechanisms to facilitate the PCPRC's review of the aligned APM parameters?

5 responses



2025 – Key Considerations for APM Parameters

Alignment with other payers; comprehensive data sets

Patient attribution - Patient choice is important but may not be reflective of availability.
Example: patient wants to see female doctor or local pediatrician but if those doctors are not available then the patient sees an APP or non-preferred clinician. Claims data would accurately reflect who rendered services to the patient and attribute accordingly.

Patient attribution - Careful consideration and review should be practiced for geographic assignment. What happens with second homeowners?
Example: We experienced an issue where claims were being denied for one of our providers as "out of network" as the health plan had a cohort of patients in Gunnison County assigned to providers in Pitkin County which was due to an automated geographic attribution algorithm.

2025 – Speakers, Initiatives, Research

Short-Term (2025-2026)	Feasibility & Market Alignment	• Ensure parameters are practical, avoid unnecessary administrative burdens
	Risk Adjustment & Patient Attribution	• Use transparent, fair methodologies that account for patient complexity
	Quality Measures	• Focus on meaningful, outcome-based metrics aligned with national standards
Medium-Term (2025-2027)	Financial Impact & Sustainability	• Assess effects on cost, premiums, and provider reimbursement
	Provider Readiness	• Support smaller practices in transitioning to value-based care
	Data & Performance Metrics	• Improve transparency and streamline reporting to reduce administrative burdens
Long-Term (Beyond 2027)	ROI & Cost Containment	• Ensure primary care investment leads to affordability and improved outcomes
	Evolving Payment Models	• Explore capitation or alternative structures for long-term sustainability
	Stakeholder Engagement	• Regularly review data and adapt parameters as needed

Overall Satisfaction

2025 – What Do You Like Best About PCPRC

Varied stakeholders

Well organized presentations, updates on legislative happenings, Collaborative member discussion/engagement

I appreciate the collaborative nature of the group and the opportunity to bring together diverse stakeholders to shape primary care payment reforms. To make participation more impactful, I'd love to see more strategic discussions on implementation, outcomes, and real-world applications of APMs—rather than spending significant time on document editing. Having more focused conversations on data insights, innovative models, and measurable progress would help ensure that our time is used effectively and leads to meaningful advancements in primary care reform.

We address meaningful and timely topics

Very thoughtful discussions

2025 – What Do You Like Least About PCPRC

Maybe only bring on new members in Feb/March once a report is submitted and a new year of work is starting over.

To maximize effectiveness, I'd suggest shifting more time toward substantive policy discussions, data-driven insights, and actionable next steps that drive real impact. Ensuring that meetings focus on problem-solving, best practices, and implementation challenges—rather than administrative tasks—would make participation more valuable for all stakeholders.

I'd love to hear from longer-standing members: Are there areas where the group has struggled to gain traction, and how can we improve engagement to drive meaningful progress?

No compensation for members. This is a barrier to recruitment for members as everyone's time is valuable and time is money.

2025 – Additional Thoughts/Comments

Would like to see greater participation in discussion from payers, including ideas they have for solutions on reducing administrative burden and increasing investment in primary care.

There is so much material to digest, and I wish I had more time to really prepare.

Other State Primary Care Initiatives

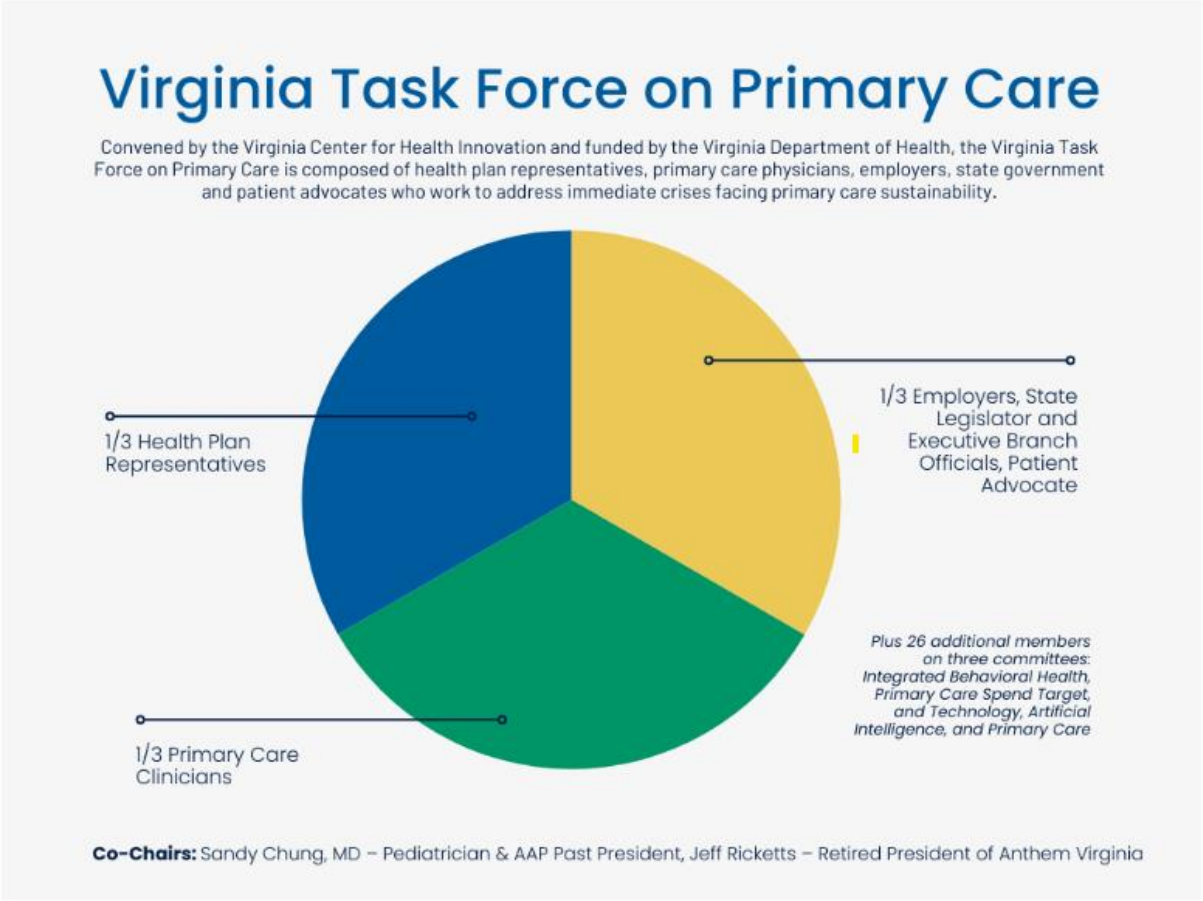
State Primary Care Initiatives

	Primary Care Spending Report						Targets		
State	PCC website	PC as % of TME	Commercial	Medicaid	MA	Medicare FFS	PC target	APM target	Cost Growth
CO	Y	Y	Y	Y	Y				
CA							Y	Y	Y
CT	Y	Y	Y	Y	Y		Y	N	Y
DE	Y		Y	Y	Y	Y	Y	Y	Y
MA		Y	Y	Y	Y		N	N	Y
MD		Y					Y	N	Y
ME	Y	Y	Y	Y					
OR	Y		Y	Y	Y		Y	Y	Y
RI	Y						Y	Y	Y
UT	Y	Y	Y	Y	Y				
VA	Y	Y	Y	Y	Y	Y			
VT	Y	Y	Y	Y					
WA	Y	Y	Y	Y	Y		N	Y	Y

DRAFT

Virginia

- Task Force established in 2020
  - Early focus on data platforms to track and improve performance metrics
- Virginia Primary Care Scorecard
  - Annual tracking tool for state primary care investment, regional clinician capacity
- Primary Care Scorecard Dashboard
  - Refined in 2024 to provide information on patient experience at county level



Rhode Island

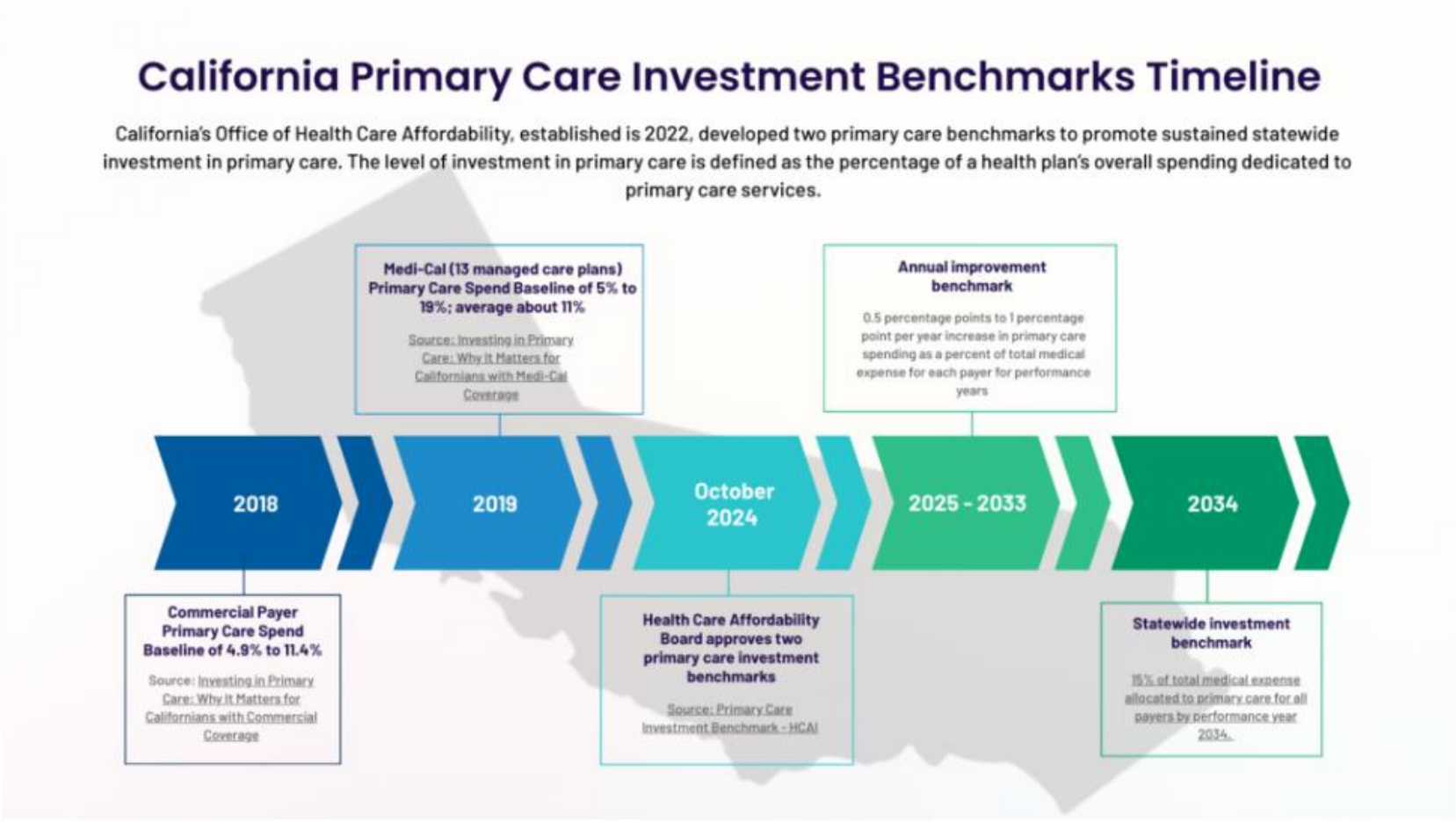
- Set initial primary care investment target in 2010
- Updated investment target and methodology in 2024
- Integrated behavioral health strategies
- Measure alignment requirements
- APM & care transformation committees

Legacy Primary Care Expenditure Definition, Established in 2010. The amount that an insurer spends on payments to primary care providers (i.e., the physician, practice, or other medical provider considered by the insured to be his or her usual source of medical care, such as nurse practitioners, physician assistants, and physician associates, but excluding specialty providers) and other preventive and basic health services plus non-fee-for-service investments, including health information technology, patient-centered medical homes, web-based data sharing (CurrentCare), provider incentives, training physician loan forgiveness, and flu clinics. Primary care spending was calculated by dividing this amount by total health care spending on Rhode Island providers.

New Primary Care Expenditure Definition, Effective March 20, 2025 Primary care expenditures means all claims-based and non-claims-based payments by the health insurer directly to a primary care practice or integrated system of care for primary care services delivered to Rhode Island residents at a primary care site (excluding urgent care centers and retail pharmacy clinics). This includes claims-based payments for primary care services (defined using a set of taxonomy codes) and non-claims-based payments for capitated and prospective contracts, provider incentives, population health management, primary care practice infrastructure, primary care provider salaries, recouped payments due to reviews, audits, or investigations, and patient-centered medical home administrative expenses. Primary care spending is calculated by dividing this amount by total spending on all health care providers.

California

- Primary care investment target: 15% for all payers by 2034
- Measure alignment
- Purchaser engagement
  - CA Advanced Primary Care Initiative
  - CA Quality Collaborative



Public Comment

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Thank you!!