

# Primary Care Payment Reform Collaborative Meeting

August 14, 2025

### Agenda

Virginia Primary Care Task Force and Scorecard Washington State Primary Care Transformation Colorado Health Systems Directory Federal & State Updates Housekeeping & Announcements Public comment

### Meeting Goals & Requested Feedback

#### **GOALS**

- Learn about other state primary care initiatives
- Identify data sources for measuring, tracking the state of primary care
- Brief update on federal & state activities

#### FEEDBACK

- Identify strategies, approaches, best practices for Colorado
- Identify potential data sources (and gaps)
- Key issues to monitor, resource needs, next steps



### Virginia Center for Health Innovation & Task Force on Primary Care

Lauryn Walker, Chief Strategy Officer Virginia Center on Health Innovation



August 14, 2025

Lauryn Walker, Chief Strategy Officer Virginia Center for Health Innovation





- Public-private partnership model run by Virginia Center for Health Innovation (VCHI) a 501c3, funded by the Virginia Department of Health
- Established in 2020 to address immediate crises facing primary care sustainability with initial funding from Arnold Ventures

"The purpose of the task force is to enhance the **financing**, **quality and delivery of primary care** in the Commonwealth. The task force shall continue work on: (i) building stakeholder coalitions; (ii) advancing the use of data/communication systems; (iii) defining payment models; (iv) describing primary care infrastructure; (v) identifying markers of high value care; and (vi) promoting innovations in telehealth." – Virginia State Budget



#### Structure of Task Force

#### Membership

- Currently 31 members, membership renewed annually
- Co-chairs: 1 payer, 1 clinician
- Membership includes:
  - Frontline clinicians
  - Health Systems
  - Payers (Medicaid, Commercial, State Employee Health Benefit)
  - Employers
  - Professional associations
  - Patient advocates
  - Legislators (4)
  - State agency personnel (including Secretary of HHR)

#### **Structure**

- Rotating committees with additional expertise as needed
- Meet quarterly
- Vote on consensus recommendations



#### Task Force on Primary Care Focus Areas

- AMA Joy in Healthcare
- Al and technology learning collaborative
- Integrated care learning collaborative





- Enhanced Medicaid rates
- Integrated behavioral health alternative payment pilot
- Primary care spend target

- Al and technology learning collaborative
- Integrated Care Toolkit
- Person-Centered Primary Care Measure
- PPE distribution during pandemic
- Immunization panel data pilot



Research



- Primary care investment report
- Primary care scorecard
- Surveys on payments and burnout
- Launch Research Consortium



#### Responsibilities of State Task Forces

Define current state of primary care

 Data analytics, definitions, and research (i.e. primary care scorecard and reports on spend)

2. Build a coalition

Public-private partnership model (i.e. <u>Virginia Task Force on Primary Care</u>)

3. Identify policy options

 Landscape review and stakeholder input (i.e. <u>Tool</u> based on <u>HHS issue brief</u>)

Establish consensus priorities

 Leverage the power of consensus in a coalition (i.e. primary care spend threshold)

Identify a policy champion

- Define ownership (executive vs legislative, state vs federal)
- Use data to identify impacted populations, geographies

Provide an accountability structure

 Monitor execution of recommendations and related policies (i.e. Legislative and budget trackers)

https://www.milbank.org/publications/defining-the-state-role-in-primary-care-reform/





#### **Building Trust and Gaining Momentum**

Early Task Force Wins PPE and antigen test distribution

Increased Medicaid primary care rates by 10%

Established consensus definition of primary care

Published baseline spending reports and scorecard

Surveys and requests for information on burnout and payment models



#### **Current Initiatives: Pilots**



#### <u>Immutrack</u>

- Provide panel-level vaccination data to practices
- Partnership with Virginia Department of Health, Virginia Health Information, Maryland's HIE (CSS), and Virginia practices



#### Person-Centered Primary Care Measure

- Conduct an evaluation of the person-centered primary care measure
- Partnership with VCU and American Board of Family Medicine
- Recruited 1,072 clinicians to participate



#### Joy in Healthcare

- Partnership with AMA, 5 health systems, and one large IPA
- All systems conducted organization biopsies and shared data with VCHI
- Multiple systems expected to achieve AMA recognition this month
- VCHI and AMA are currently conducting analyses for a statewide report



#### **Primary Pathways**

- Multi-payer alignment initiative to expand and support pediatric practices in integrating behavioral health into their daily practice, provides infrastructure investments and hybrid payments
- Creates a tiered approach to integrating care, all practices have now achieved highest tier
- Partnership with 2 Medicaid MCOs and 33 practices



### Current Initiatives: Committees and Partnerships

#### **Committees**

- Establish learning collaboratives for (1) Al and Technology and (2) Integrated
   Care
- Continue research on primary care spend and cost growth targets
- Begin collecting and analyzing non-claims-based payments
- Maintain Primary Care Innovation Hub as centralized source of primary care news, legislative actions, and data inventory
- Established consensus recommendations for policy recommendations and SFY 2026 workplan

#### **Research Consortium**

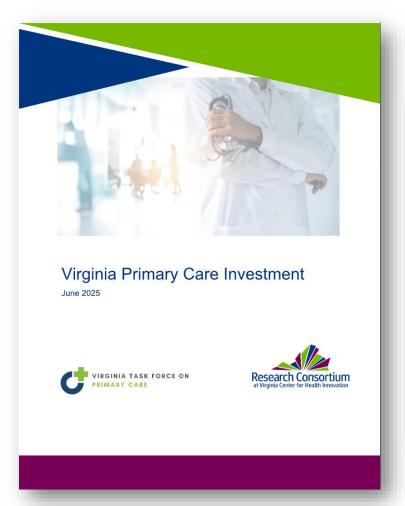
- Secured \$100K in grant funding from the RWJ Foundation with a Health Data in Action grant.
- Secured \$500K in start-up funds from the Governor & the Virginia General Assembly.
- Executed contract to access to Epic Cosmos population health data through a partnership with VCU.



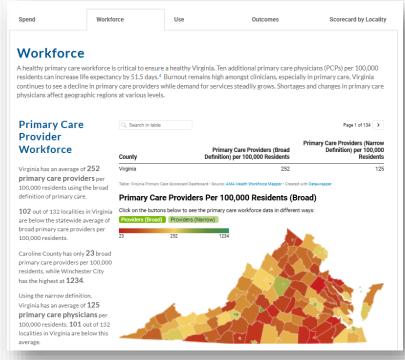


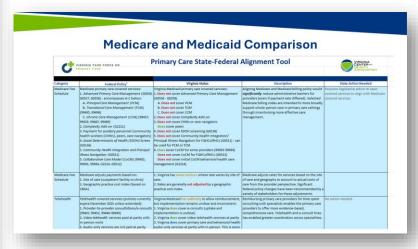


#### Primary Care Task Force Reports



#### **Primary Care Scorecard**







### Task Force Recommendations SFY 2026

- Medicaid rate for primary care services should be paid at parity with Medicare rates
- 2. Require health plans to submit non-claims-based payments to Virginia Health Information using the NAHDO format and incorporate data into All-Payer Claims Database
- 3. Require Department of Medical Assistance Services to pursue federal match for research and Task Force funding to
  - 1) Conduct a marketplace assessment of primary care in Virginia,
  - Review structure alternatives for percentage-based primary care spend targets,
  - 3) Conduct review of cost growth targets alongside primary care spend targets,
  - 4) Identify additional payment models that could be deployed in Virginia



In October, cross-sector stakeholders from across Virginia will convene to examine challenges in primary care and collaborate on actionable strategies to advance primary care statewide.

#### Contact



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# Washington State Primary Care Transformation

Judy Zeran-Thul, Chief Medical Officer Washington State Health Care Authority



### Colorado Health Systems Directory

Steve Holloway, Branch Director, Health Access Branch Colorado Department of Public Health & Environment



## Federal & State Updates

- H.R. 1 "One Big Beautiful Bill" Act (OBBBA)
  - Signed by President Trump on July 4, 2025
  - Largest cuts to safety net in modern history, "biggest rollback in federal support for health care coverage ever"
  - Impacts on CO State Budget
    - Nearly \$1 billion dollar budget shortfall in THIS fiscal year
  - Impacts on private health insurance market
    - Projected loss of 100,000 110,000 in CO individual market (ACA plans)
  - Impacts on Medicaid
    - Largest cuts since inception of program
  - Impacts on Supplemental Nutrition Assistance Program (SNAP)
    - Costs in CO expected to increase by \$175 million per year

### Key ACA Marketplace provisions

- Bars automatic enrollment for subsidy-eligible consumers;
- Imposes new verification requirements;
- Eliminates access to premium tax credits for those using certain special enrollment periods;
- Eliminates financial protection against premium tax credit claw backs;
- Bans lawfully present immigrants (refugees, survivors of trafficking, domestic violence, and other serious crimes, etc.) from tax credits;
- Allows bronze and catastrophic plans to be eligible for health savings accounts (HSAs);
- Allows HSA reimbursement for direct primary care service arrangements;
- Did <u>NOT</u> extent enhanced premium tax credits, currently set to expire Dec 31, 2025

#### Recent Legislative and Regulatory Changes Affecting ACA Marketplace Operations

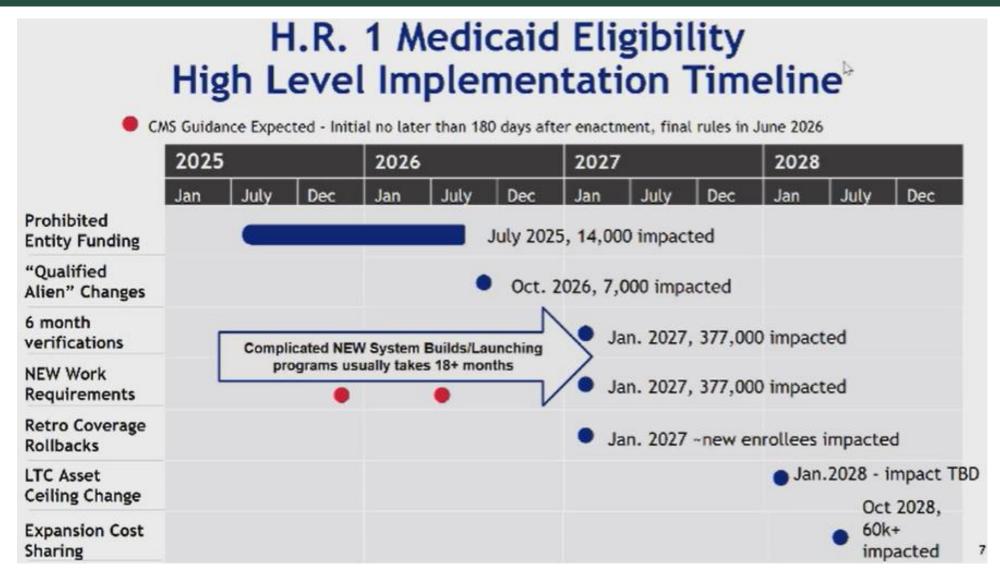
Changes to enrollment periods	
Open enrollment	Shortens the annual open enrollment window and ends longstanding flexibility for state-based marketplaces (SBMs) to offer open enrollment in January.
	Effective beginning with open enrollment for the 2027 plan year.
Special enrollment	Ends the special enrollment opportunity for otherwise eligible consumers with low incomes (at or below 150% of the federal poverty level, or FPL) and prohibits SBMs from establishing the same special enrollment period or any similar opportunity in the future.
	Effective on August 25, 2025.
Changes to enrollment eligibility	
Deferred Action for Childhood Arrivals (DACA) recipients	Revokes eligibility for marketplace coverage for DACA recipients. Requires midyear termination of coverage.
	Effective on August 25, 2025.
Other lawfully present immigrants	Revokes eligibility for subsidized marketplace coverage for various classes of lawfully present noncitizens, including certain lawful permanent residents with incomes under 100% of FPL, refugees, and victims of human trafficking.  Effective in stages beginning with the 2026 plan year.*
Former Medicaid enrollees	Requires many Medicaid enrollees to meet work requirements and terminates coverage for otherwise eligible individuals who do not meet these requirements. These individuals are also deemed ineligible for marketplace coverage with a premium tax credit.
	Effective beginning with the 2027 plan year.

#### Recent Legislative and Regulatory Changes Affecting ACA Marketplace Operations

Changes to the enrollment process	
Coverage renewals	1. Removes the option for SBMs to automatically reenroll certain bronze-level plan enrollees into an otherwise identical silver plan, a practice that enables these enrollees to qualify for cost-sharing reduction subsidies (which is only available to silver-plan enrollees).  Effective beginning with the 2026 plan year.
	Ends automatic reenrollment for all marketplace consumers.  Effective beginning with the 2028 plan year.
Data verification	Specifies new circumstances in which consumers must submit additional paperwork to document eligibility and shortens the time frame for doing so.
	Effective for plan year 2026 only.
	2. Ends provisional eligibility for premium tax credits and cost-sharing reductions. Individuals must pay the full unsubsidized premium until the marketplace can render a final eligibility determination.
	Effective beginning with the 2028 plan year.

#### Key Medicaid provisions

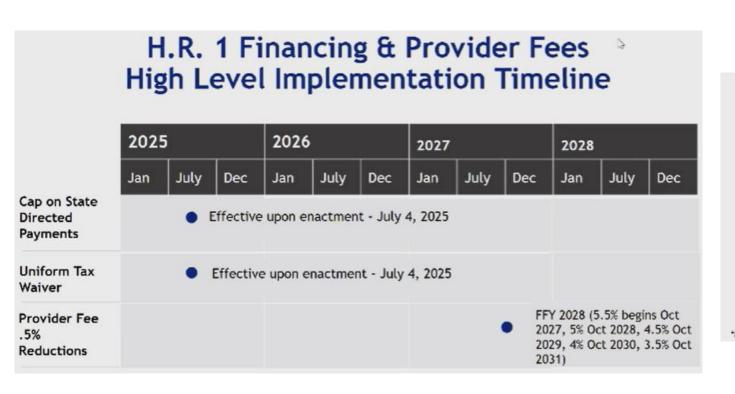
- New mandatory work requirements for many applicants/enrollees;
- More frequent eligibility redeterminations for Medicaid expansion enrollees;
- New copays for certain low-income enrollees;
- New limits on retroactive coverage;
- Bans lawfully present immigrants (e.g., refugees, survivors of trafficking, domestic violence, and other serious crimes, etc.) from enrollment
- Restricts ways states can raise revenue for their share of program by freezing provider taxes, limiting state-directed payments, and modifying criteria use to assess certain healthcare-related taxes;
- Prohibits federal Medicaid funds from flowing to Planned Parenthood for one year after enactment;
  - Lawsuit filed, injunction currently allowing payments;
  - CO = ~14,000 members access in 62 of 64 counties; 5,000 have as PCP;



#### H.R. 1 Benefit & Eligibility Provision Impacts

Provision	Date	Member Impact	Other Considerations
Prohibited Entity Funding	July 2025	14,000+ members	Reduces access to services
"Qualified Alien" Changes	October 2026	~7,000 lawful immigrants will lose Medicaid coverage	Increases uninsured & uncompensated care
6 month renewals	January 2027	377,000 members	\$\$ admin costs & burden likely will result in coverage loss
Retroactive coverage restrictions	January 2027	Anyone applying for new coverage	Increases uncompensated care
Work Requirements	January 2027	377,000 members (before exemptions)	Paperwork burden for members, coverage loss, \$\$ high costs to administer

LTC Asset Ceiling Changes & Cost Sharing are in effect in 2028.





#### Other provisions

- Medicare
  - Lawfully present individuals no longer eligible; current beneficiaries who no longer quality will lose coverage within 18 months;
  - Adjusts Medicare physician fee schedule for services in 2026 by 2.5%;
- Supplemental Nutrition Assistance Program
  - Reduces federal contribution from 50% to 25% starting in FY 2027
  - States with payment error rates will pay cost share from 5-15%
  - Imposes work requirements (20 hour/week)
- Includes \$50 billion Rural Health Transformation Program (\$10 billion each year for FY 2026 - 2030)
- Permanently and retroactively extends telehealth safe harbor for highdeductible health plans (HDHPs) and HSA eligibility
- Imposes new lifetime \$200,000 on medical student loans

### Federal Updates - HHS Actions

#### Personal Responsibility & Work Opportunity Reconciliation Act of 1996

- HHS formally rescinded 1998 interpretation of PWORA that "improperly extended certain public benefits to illegal aliens"
- Revised list of "Federal public benefits" programs reserved for American citizens includes Head Start, federally funded health centers, mental health and SUD treatment programs and block grants, Title X family planning programs (+ 9 others)
- Democratic AGs from 20 states and DC have filed suit to prevent; HHS has agreed to stay enforcement and application through Sept 10, 2025

#### USPSTF Task Force

 HHS Secretary Kennedy "reviewing" firing current members; over 100 organizations have urged lawmakers to ensure task force's integrity

#### Vaccines

- HHS cancelled 22 research projects, \$500 million in grants supporting development of mRNA vaccines
- Multiple medial groups barred from working on CDC's panel of vaccine advisers

### Federal Updates - HHS Actions (cont.)

#### Ending continuous eligibility 1115 waivers

- July 17 Letter CMS does not anticipate approving new or extending existing 1115 demonstration authority for expanded continuous eligibility
- CO had applied for waiver for individuals leaving incarceration, starting Jan 2026

#### Health information

- Announced "Make Health Tech Great Again" partnership with private sector companies (Amazon, Apple, Google, OpenAI, Anthropic)
  - Focus on promoting CMS interoperability framework and improving data sharing between patients and providers
- Health Data, Technology, and Interoperability: Electronic Prescribing, Real-Time Prescription Benefits and Electronic Prior Authorization Final Rule (HTI-4)
  - Released by ASPT/ONC, published as part of FY 2026 IPPS Rule
  - Enables use of certified EHRs to submit prior authorizations, select drugs consistent with patient's insurance coverage, exchange electronic prescription information with pharmacies and insurance plans

### Federal Updates - Federal Rules

#### Proposed CY 2026 Physician Fee Schedule Rule

- Optional add-on codes for Advance Primary Care Management (APCM) services to facilitate behavioral health integrates or Collaborative Care Model services
  - 3 new G-codes to be billed as add-on services when APCM base code reported by same practitioner in same month
- Separate conversion factors for qualifying APM participants (QPs) and non-QPs
  - QP conversion factor = +0.75% (\$33.59); non-qualifying = +0.25% (\$32.35)
- Efficiency adjustment
  - Shift from using survey data to Medicare Economic Index (MEI) productivity adjustment percentage to calculate

#### Final Payment Rules

- Inpatient Rehab Facilities, Inpatient Psychiatric Facilities, Hospices
- Include payment rate increases (2.6%, 2.5%, 2.6% respectively); remove quality measures and SDOH data elements

### Federal Updates - CMMI & HCPLAN

#### New CMMI Models

- Ambulatory Specialty Model (ASM)
  - Proposed mandatory model specialty care for people with heart failure, low back pain
  - Goal: improve upstream chronic condition management and coordination between primary care providers and specialists
- Wasteful and Inappropriate Service Reduction (WISeR) Model
  - Test whether enhanced technologies, including AI, can expedite prior authorization process for items & services vulnerable to fraud, waste, abuse, inappropriate use
- Cell and Gene Therapy (CGT) Access Model
  - 33 states and DC; new approach to treating sickle cell disease in Medicaid beneficiaries

#### HCP LAN - New Initiatives

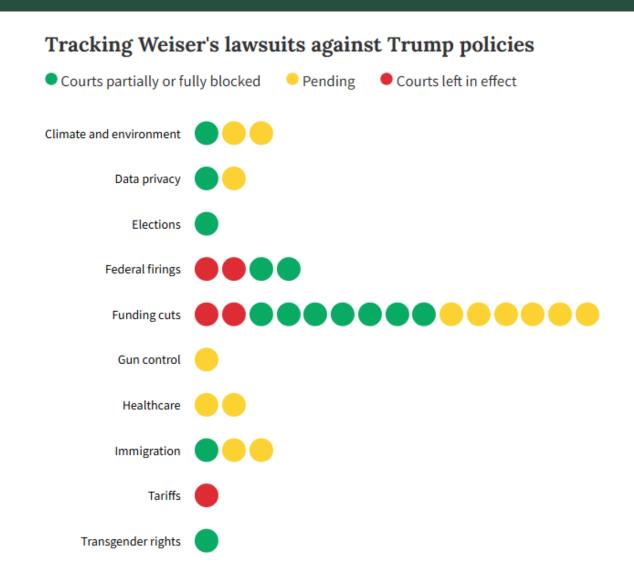
- Launching four new initiatives focused on: 1) health care choice and competition; 2) patient empowerment; 3) preventive care; 4) and technology-enabled health
- Discontinuing APM Measurement Effort; will explore alternative pathways to advance the availability and reduce the cost of key data needed to improve care

### Attorney General Lawsuits

On behalf of Colorado, Attorney General Phil Weiser has joined at least 33 lawsuits against the Trump administration since January

#### PENDING RULING

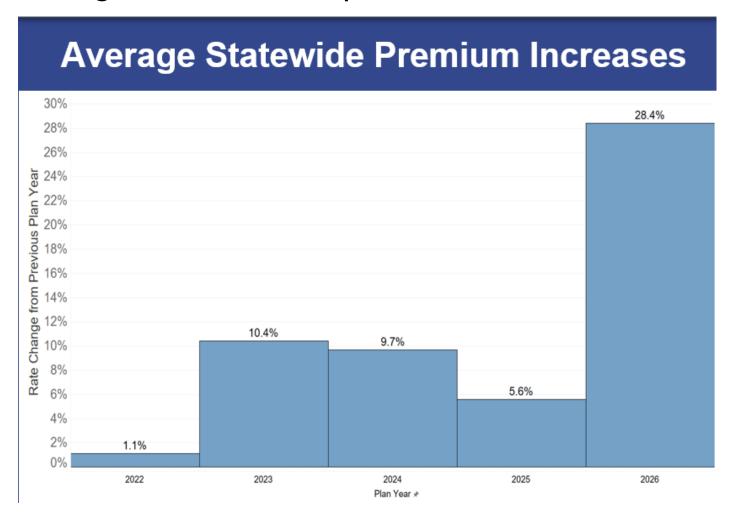
- Blocking Medicaid payments to Planned Parenthood
- Transfer of Medicaid, SNAP data to immigration agencies
- Changes to ACA enrollment
- Federal restrictions on public benefits (PWORA)



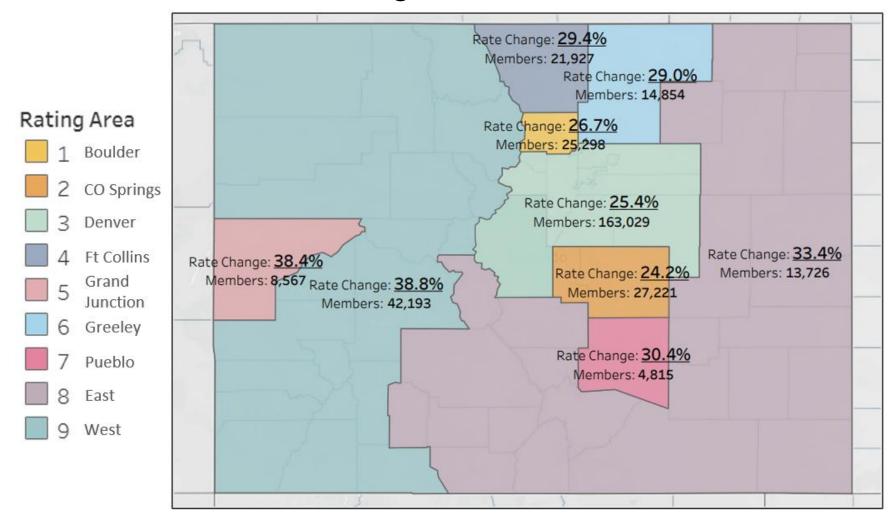
- Special Session to Address State Budget
  - Starts August 21, 2025
  - Executive Order (D 2025 009) includes 4 areas:
    - Fiscal
      - Tax-related, revenue shortfalls and insufficiencies
      - EO includes state hiring freeze, effective Aug 27, 2025
    - Health care
      - Planned Parenthood
      - Health Insurance Affordability Enterprise premiums, coverage losses
    - Food security
      - Healthy School Meals for All Program and SNAP funding
    - Artificial intelligence
      - SB25-205 fiscal and implementation impacts

- DOI Press Release <u>June 10, 2025</u>
  - End of enhanced tax credits + impact of Reconciliation bill estimated to lead to as many as 110,000 Coloradans losing health insurance access
    - Rate increases for those who don't lose coverage will have destabilizing impact on individual health insurance market
  - Estimated loss of approximately \$100 million in federal "pass through" money, which funds affordability programs
    - Reinsurance will receive maximum amount of state funding allowed by law (\$90 million), but loss of federal funds will impact ability to lower premiums
  - Reduction of Reinsurance Program's impact alone estimated to increase premiums in 2026 by 7% along Front Range, as much as 16% for rural Colorado
    - Front range = nearly \$1,500 annually (family of 4); Rural Colorado = over \$4,300 annually (family of 4)
  - Should Congress fail to extend tax credits altogether, net premiums could increase on average by 104% for Coloradans that receive them

- DOI Press Release <u>July 16, 2025</u>
  - Statewide average for submitted premium increases is 28%



- DOI Press Release <u>July 16, 2025</u>
  - Premium increases as high as 38% in some areas of state



These premium increases will impact 321,000 Coloradans

100,000Expiration 110,000
of ePTC Coloradans
Lose Coverage

With the expiration of ePTCs, premiums will be more expensive, resulting in fewer people being able to afford their health insurance coverage.

When coverage becomes unaffordable, many healthier individuals choose to drop their coverage. Anticipating that a higher proportion of individuals with greater health care needs will remain enrolled, insurers raise premiums to account for the increased morbidity in the risk pool.

40%
Cut to the
Reinsurance
Program

The reinsurance program reduces premiums; and therefore, it reduces the amount the federal government pays in subsidies. The state keeps those savings in the form of "pass-through" funds via a 1332 Waiver. The main source of funding for the reinsurance program is the 1332 waiver. When fewer people have insurance and when subsidies are cut, that leads to less funding for the reinsurance program.

28%

# Avg requested premium increase

As a result, insurers have requested to increase premiums by 28% for 2026, on average. These premium increases will impact individuals and families who purchase their coverage in the individual market, which is approximately 321,000 Coloradans.

- Enhanced premium tax credits (ePTC) have largest dollar impact on 3 types of enrollees:
  - Incomes above 400% FPL
  - Older adults
  - Those in areas of state with relatively high premiums
- With ePTC, premiums costs for those over 400% FPL have been capped at 8.5% of income
  - $\circ$  400% FPL for family of 4 =  $\sim$ \$128,000
  - With ePTC, premium = ~\$11,000

RA 9 will see ~\$25,000 increase (\$36,000 - \$11,000 = \$25,000)

Family of Four Premium Increase			
Rating Area (RA)	2026 Annual Premium	Approx. Net Premium Increase - 400% FPL	
1 - Boulder	\$24,453	\$13,353	
2 - CO Springs	\$26,027	\$15,027	
3 - Denver	\$25,129	\$14,129	
4 - Fort Collins	\$25,676	\$14,676	
5 - Grand Junction	\$29,091	\$18,091	
6 - Greeley	\$25,686	\$14,686	
7 - Pueblo	\$26,419	\$15,419	
8 - East	\$32,309	\$21,309	
9 - West	\$36,832	\$25,832	



- HCPF Stakeholder Webinar August 5
  - Slides and recording will be available
- Congress can still act to extend ePTC

Office +	Name +
U.S. House Colorado District 1	Diana DeGette
U.S. House Colorado District 2	Joe Neguse
U.S. House Colorado District 3	Jeff Hurd
U.S. House Colorado District 4	Lauren Boebert
U.S. House Colorado District 5	Jeff Crank
U.S. House Colorado District 6	Jason Crow
U.S. House Colorado District 7	Brittany Pettersen
U.S. House Colorado District 8	Gabe Evans

Office +	Name +
U.S. Senate Colorado	Michael Bennet
U.S. Senate Colorado	John Hickenlooper



## Housekeeping & Announcements

### Housekeeping & Announcements

- Meeting minutes June minutes will be posted next week for approval in Sept
- Co-Chair update
  - 2 nominations: Rajendra Kadari & Cassie Littler
  - Vote to approve at September meeting

#### Draft Schedule

**APRIL** 

Updates & Priorities

**JULY** 

SUMMER BREAK

<u>OCT</u>

Access - sources of care; Flow of dollars <u>MAY</u>

Accountable Care Organizations

**AUG** 

Data - sources, gaps; CDPHE presentation; Guest speaker(s) from Virginia

**NOV** 

CIVHC Report/ Recommendations **JUNE** 

Patient perspectives on primary care;
Engaging with employers;
Coordination with practice transformation initiatives

**SEPT** 

\* \* Review APM Parameters \* \*

Comprehensive Primary
Care Discussion

<u>DEC</u>

Draft Recommendations

\* \* \* DRAFT Proposal \* \* \*



### Public Comment



# Thank you!!