



Primary Care Payment Reform Bill Signed into Law

Over the past 8 years, we have made steady progress in promoting and supporting primary care. We began by defining what we mean by excellent primary care and how that should be measured through the PCPCH program. After hundreds of primary care clinics embraced this model, we passed a law in 2015 requiring payers to report how much they pay for primary care every year. That law also created a Payment Reform Collaborative, bringing all the stake holders together to create solutions.

This bill is the culmination of those efforts. With the Governor's signature on SB 934, we have succeeded in substantially increasing the amount of investment in primary care. As we all know, evidence shows that increased spending on primary care infrastructure results in better health outcomes for patients and savings in the form of reduced specialist referrals, emergency room visits, and hospitalizations. Unfortunately, traditional fee-for-service reimbursement incentivizes providers to see as many patients as possible, and doesn't reimburse for the practices we know achieve great outcomes.

Senate Bill 934 seeks to solve that problem by requiring that all commercial insurers, CCOs, and OEBC and PEBB invest 12% of their total medical expenditure in primary care infrastructure by the year 2023, ensuring that patients statewide receive the services we know improve health and lower costs. Those increased expenditures must be in value-based payments. Insurers not already at 12% must increase their primary care spend by 1% each year until they reach the 12% threshold. The Insurance Division will use the rate review process to monitor how insurers plan to make those additional primary care investments.

The bill also requires that payers extend these enhanced payments to all PCPCH clinics, including pediatric clinics, Rural Health Clinics and Federally Qualified Health Centers. This is important because the federal Comprehensive Primary Care Plus (CPC+) program, in which most major insurers in Oregon participate, excludes those clinics.

The bill also extends the sunset on the Primary Care Payment Reform Collaborative. This collaborative will continue to work to increase and align investment in primary care without increasing costs to consumers or increasing the total cost of health care. Specifically:

- The collaborative will set up a system to provide technical assistance to both payers and providers via a centralized, sustainable, shared-funding model;
- work with the Health Plan Quality Metrics Committee so that everyone uses a limited number of standardized quality, utilization, and patient-experience metrics;
- help payers develop payment models that support primary care behavioral health integration.



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The bill, co-sponsored by Senator Elizabeth Steiner-Hayward and Representative Knute Buehler, passed out of the Senate and House unanimously. “Colleagues, SB 934 is a strong step forward in improving our health care system,” said Rep. Knute Buehler (R-Bend) on the House floor. The Governor signed it into law on June 28, 2017.

With the infusion of more resources into primary care, it is now our shared responsibility to prove that we can do what we have promised. The payers will be held accountable and so will the providers. The OAFP will continue to bring our members shared learning, best practices and CME related to meeting this promise.