

States Serve as Agents of Change for Primary Care

Primary care is the bedrock of a well-functioning health care system, but it faces critical challenges that state and federal entities can only solve by working together. Coordinated and collaborative efforts will have the greatest likelihood of successfully confronting and overcoming these challenges.

By working together, we can create a more robust and sustainable primary care system that benefits patients, physicians, and health care systems. While federal reforms set forth national priorities, they lack the flexibility to address states' unique needs and circumstances. Successful state pilot programs inform and refine national policies and address the health care needs of their populations. Working in concert, federal and state efforts allow for tailored approaches in states.

This *Beyond the Beltway* feature discusses states' roles to improve payment and reduce burdens and examines federal actions to advance state reform efforts, as well as offers resources to support state and local chapters in meeting shared federal and state goals.

STATES' ROLES

To increase payment and reduce the burden for primary care physicians (PCPs), states possess "levers for change." These may include promoting value-based care with innovative payment structures in Medicaid programs or state employee health benefit plans; creating price transparency and/or primary care spending targets through legislative and/or regulatory action; and utilizing regulatory power to influence private payer actions.

Additionally, states investing in infrastructure, such as health information exchanges (HIEs), can

facilitate data collection and sharing, an action crucially important to reduce burdens and more accurately measure quality under new payment models.

There are a number of areas where state leadership is essential to transform payment that prioritizes primary care and reduces the administrative burdens of physicians, including:

- **Medicaid and Children's Health Insurance Program (CHIP)**
- **State employee health plans**
- **Regulatory authority**
- **Legislation**
- **Data collection and information sharing**
- **Investment in primary care information structure**

The table, *State Levers to Improve Payment and Reduce Burdens for Primary Care*, (<https://www.aafp.org/pubs/fpm/issues/2024/0500/beyond-the-beltway.html>), found at the bottom of the article at the link, describes each of these areas in greater detail, including descriptions and examples of state-level activities and outcomes.

FEDERAL ACTIONS TO ADVANCE STATE REFORMS

The federal government can empower and accelerate state-led health care reforms through payment innovation, financial support, regulations, and standardization. These bulleted items are actions the federal government uses to advance state reforms now and in the future.

Payment Innovation

- The Center for Medicare and Medicaid Innovation (CMMI) has been advancing value-based payment (VBP) for

primary care models for more than a decade and is increasingly including states in its innovation strategy.¹

- The States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model (<https://www.cms.gov/priorities/innovation/innovation-models/ahead>) is a model with a range of tools to increase investment in primary care, provide financial stability for hospitals, and support beneficiary connection to community resources.
- The Making Care Primary (MCP) Model (<https://www.cms.gov/priorities/innovation/innovation-models/making-care-primary>) launches in eight states in 2024, with states selected based on the willingness of Medicaid programs to implement an aligned payment program.

Financial Support

- Federal grants and funding can be awarded to states for a range of activities, including implementing innovative payment models for PCPs in Medicaid. This helps overcome resource limitations and incentivizes states' reform efforts.
- Matching funds can incentivize state investment in primary care infrastructure (e.g., information technology [IT] systems) or data collection initiatives that support payment reform. These funds encourage states to increase their own financial commitment.

Regulatory Flexibility

- Federal waivers and demonstration programs provide relief from specific regulations in exchange for an agreed-upon state role, such as experimenting with new payment models. This allows greater flexibility and innovation at the state level, particularly for states that have yet to expand their Medicaid programs.²

Standardization and Alignment

- The administrative tasks associated with ensuring coverage for patients and meeting documentation requirements for payment can be onerous when dealing with a single payer. However, many primary care practices frequently contract with *10 or more payers* at a time.³ The burden can be overwhelming and contribute to a lack of well-being and burnout for physicians and their teams.⁴ With the increased requirements associated with VBP, aligning payers is essential to address these growing burdens. The Health Care Payment Learning & Action Network (<https://hcp-lan.org/>) published a Multi-Payer Alignment Blueprint (<https://hcp-lan.org/workproducts/STCs/Multi-Payer-Alignment-Blueprint.pdf>) in 2023 to share lessons learned from multi-payer alignment initiatives, building a foundation and generating momentum for national alignment strategies.
- Standardizing measurement is one way to reduce the burden associated with VBP. CMS has signaled it recognizes this is a step that must be taken to pave the way toward VBP. In 2023, they announced the Universal Foundation (<https://www.cms.gov/medicare/quality/cms-national-quality-strategy/aligning-quality-measures-across-cms-universal-foundation>) of quality measures that should be the starting point for aligning across its programs with the explicit goal to "reduce provider burden by streamlining and aligning measures," as well as improve health outcomes and equity.⁵

THE AAFP'S ROLE IN SUPPORTING STATE AND LOCAL CHAPTERS

The AAFP recognizes the critical role chapters play in influencing policy at the state level and supports their work in a variety of ways. In particular, the AAFP supports chapters to actively engage in state-level efforts focused on increasing primary care investment. Throughout 2022 and 2023, the AAFP hosted the Primary Care Investment Learning Community,

which included chapter staff and physician leaders. The community explored the challenges advocates face in states when they push for policies to improve primary care payment and reduce burdens. As a result of the community, the AAFP and its Center for State Policy (CSP) developed the AAFP Primary Care Investment Toolkit (www.aafp.org/primary-care-investment-toolkit). Chapter staff and leaders can use and build upon the toolkit's approaches and guidance for states to define a shared vision of primary care, engage stakeholders, set targets for investment, measure primary care investment, and establish accountability within their states.

The AAFP also supports chapter advocacy in Medicaid access policies. In states that haven't expanded Medicaid since the Affordable Care Act, chapters are provided evidence of the positive impacts of Medicaid expansion, such as reducing uninsured rates and improving health outcomes.

The AAFP offers external experts to train chapter advocates about leveraging the 1115 waiver process to implement innovative programs that promote the objectives of both Medicaid and the CHIP. The New York State Academy of Family Physicians leveraged this process recently and was able to secure increased rates for primary care in an amendment to New York's Medicaid section 1115 demonstration (<https://www.cms.gov/newsroom/press-releases/cms-approves-new-yorks-groundbreaking-section-1115-demonstration-amendment-improve-primary-care>).⁶

The lack of federal action to address inadequate Medicaid primary care payment rates has resulted in state-by-state advocacy efforts to create payment parity between Medicaid and Medicare. The CSP developed the Medicaid-to-Medicare Parity Toolkit to guide chapters with this effort. The toolkit includes model legislation, a sample letter to legislators, a recorded webcast, maps, infographics, and social media content. This toolkit and many more can be accessed by AAFP Chapter staff through the CSP's State Advocacy Toolkits webpage.

EMERGING ISSUE: THE CYBERATTACK ON CHANGE HEALTHCARE

The Change Healthcare outage due to the February 21 cyberattack resulted in far-reaching impacts on family physicians, practices, and the health care system.⁷ Change Healthcare facilitates health care payments, processing more than 15 billion transactions annually. Most of its major service lines were disrupted, including claims submission, physician and clinician payment, e-prescribing, pharmacy network management, prior authorization support, and specialty prescription coupon use. Practices were impacted based on how many of its payers had contracts with Change Healthcare.

The cyberattack also exposed a critical vulnerability within the American health care system: an overreliance on consolidated service providers. It serves as a reminder of the dangers of consolidation in this vital sector and highlights the risks of depending on a single, centralized provider for crucial health care functions like claims processing. When a single entity is compromised, it can have a ripple effect across the entire health care system, causing widespread disruptions. It also highlights the challenge of a lack of alternative options during a crisis, which can significantly hinder the system's ability to respond effectively.

The attack reinforces the need for heightened security measures across the entire health care landscape. It increased the awareness of vulnerabilities within the health care system related to supply chain vendors, legacy IT systems, and potential patient-data breaches. In light of the attack, health care organizations may consider increased protection measures, including cybersecurity insurance.