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Andrew B. MacLean, JD, CEO | Dan Morin, Director of Communications & Government Affairs

TO: The Honorable Heather Sanborn, Chair
The Honorable Denise Tepler, Chair
Members, Joint Standing Committee Health Coverage, Insurance and Financial Services

FM: Dan Morin, Director of Communications and Government Affairs

DATE: April 15, 2021

RE: **Support**
LD 1196, An Act Regarding Targets for Health Plan Investments in Primary Care and Behavioral Health

The Maine Medical Association is the state's largest professional physician organization representing more than 4300 physicians, residents, and medical students across all clinical specialties, organizations, and practice settings.

The MMA supports LD 1196, An Act Regarding Targets for Health Plan Investments in Primary Care and Behavioral Health. The issue was chosen as one of MMA's core 2021-2022 State Legislative Platform priorities by our 33-member Legislative Policy Committee and 30-member Board of Directors after months of reviewing member policy suggestions. While we are supportive of the policy, we want to make clear that our membership includes a wide breadth of physician specialists. There continues to be robust discussion about certain concerns with the legislation, including the 'balloon effect' with caps on spending. We also appreciate the feedback from hospital and health system administrative leaders on efforts to potentially improve the bill along with the bill sponsor and affected stakeholders.

There is a growing body of evidence that the as a percentage of overall health care spending, our spend on primary care in the United States is low. The most recent Maine Health Data Organization (MHDO) and Maine Quality Forum [2021 Annual Report on Primary Care Spending](#) resulting from Public Law, Chapter 244 shows Maine with a similar percentage of spending on primary care to the country as a whole.

According to a July 2019 study prepared by the Patient-Centered Primary Care Collaborative through the Robert Graham Center, [*Investing in Primary Care: A State Level Analysis*](#), the national average for primary care spend across public and private payers was 5.6 percent using a narrow definition, as compared to 10.2 percent using a broad definition. The MHDO/MQF report showed primary care spending in Maine was no different, if not less, based on 2019 claims data, ranging from 5.6% (narrow definition of primary care) to 9.1% (broad definition of primary care), overall, across all payers.

Legislation in Rhode Island from 2011 created the Care Transformation Collaborative, and shortly following, RI regulators required commercial carriers to raise their primary care spending rate by one percentage point per year as a condition of rate approval. Between 2010 and 2017, primary care spending in Rhode Island grew from \$47 million to \$74 million. During the five years that were the focus of the legislation (2008-2014), total medical expenditures in Rhode Island declined by \$115 million, while PC spend increased by \$27 million.

What about workforce? Rhode Island was the only state in New England to see an increased supply of primary care providers per capita over the time researched. The state also experienced an increase in subspecialists. It's also important to note Rhode Island ranks first in the nation in the number of physicians per capita operating in certified PCMH practices.

The Robert Graham Center study also found association between increased primary care spend and fewer emergency department visits, total hospitalizations, and hospitalizations for ambulatory care-sensitive conditions. While the report clearly stated they could not conclude that the relationship was causal, "it is a relationship replicated in the research literature," and went on to read, "There is consistent and growing evidence that primary care-oriented health care systems achieve better health outcomes, more health equity, and lower costs." It also highlighted other research which found that having additional primary care physicians in an area was associated with 51.5-day increase in life expectancy, compared to a much more modest 19.2-day increase when adding the same number of subspecialists.

In the [Commonwealth Fund's 2019 Scorecard on State Health System Performance](#) (the most recent), Rhode Island improved on the most health system performance indicators tracked over time while particularly making strides in the areas of overall coverage and behavioral health. The uninsured rate dropped from 17 percent in 2013 to 7 percent in 2015 and 6 percent in 2017 while the report showed expanding health care coverage stalled and health costs are a growing burden across the country and health costs. Commonwealth Fund leaders stated that, "Rhode Island is fortunate to have a culture of collaboration among health care leaders, coupled with a strong political commitment to health system improvement.

A recent Blue Cross Blue Shield of Rhode Island brochure titled, [From Volume to Value: Value-Based Care Models Succeed](#), describes that its Primary Care Medical Home (PCMH) practices were 5% less costly than their non-PCMH counterparts and demonstrated \$30 million in savings for the carrier and "reaffirmed that our PCMH programs successfully lowered cost trend without compromising key quality metrics" over a 5-year study period.

The MMA also appreciates what the Maine Department of Health and Human Services is doing to mirror initiatives at the federal level by the Centers for Medicare & Medicaid Services and their [Primary Care First Model Options](#). Primary Care First is a set of voluntary alternative five-year payment options that reward value and quality by offering an innovative payment structure to support the delivery of advanced primary care. Both are positive outcomes toward health care spending and better care.

Thank you for the opportunity to comment. The MMA urges your support for LD 1196 and thanks Dr. Zager for his efforts on the issue and for reaching out to MMA leaders directly prior to introducing the legislation.