

# 2019 Primary Care Spending in Oregon Report Executive Summary

August 2021

LINK TO REPORT: <https://go.usa.gov/xF7r6>

## About this report

Primary care is the front line of Oregon's health care system. Research indicates that availability of primary care providers is associated with improved health outcomes, including reduced mortality rates, reduced rates of low birth weight and preventable hospitalizations, and better self-rated health status.<sup>1</sup>

Senate Bill 231 (2015) and House Bill 4017 (2016) require the Oregon Health Authority (OHA) and the Department of Consumer and Business Services (DCBS) to report the percentage of medical spending allocated to primary care by the following health care payers:

- Prominent carriers, defined as health insurance carriers with annual health premium income of \$200 million or more. These carriers may offer commercial or Medicare Advantage plans. These carriers represent a majority of the health insurance carriers in the state.
- Health insurance plans contracted by the Public Employees' Benefit Board (PEBB) and Oregon Educators Benefit Board (OEBB). In this report, PEBB and OEBB plans are separated from other products those carriers offer.
- Medicaid coordinated care organizations (CCOs).

Senate Bill 934 (2017) requires health insurance carriers and CCOs to allocate at least 12 percent of their health care expenditures to primary care by 2023.

This [report](#) includes claims-based and non-claims-based payments made to health care providers in 2019. Data was obtained from OHA's All Payer All Claims Data Reporting Program (APAC).

## 2019 Report Findings

**CCOs and prominent carriers listed in this report spent \$1.6 billion on primary care in 2019. On average, CCOs allocated a greater percentage of total medical spending to primary care than commercial, Medicare Advantage, and PEBB and OEBB plans.**

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<sup>1</sup> Shi L. The impact of primary care: a focused review. Scientifica. 2012 [cited July 19, 2021]; Available from <https://dx.doi.org/10.6064%2F2012%2F432892>

- Commercial carriers' primary care spending averaged 14 percent of total medical spending.
- Medicare Advantage carriers' primary care spending averaged 11 percent.
- PEBB and OEBC carriers' primary care spending averaged 14 percent.
- CCOs' primary care spending averaged 16 percent.

### **Primary care as a percent of total medical spending varied among carriers.**

Commercial carriers allocated from 11 to 16 percent of medical spending to primary care. Medicare Advantage plans allocated from 3 to 17 percent to primary care. PEBB and OEBC plans allocated from 11 to 16 percent to primary care. CCOs allocated from 9 to 22 percent to primary care.

### **On average, non-claims-based payments made up a greater percentage of primary care spending by Medicare Advantage plans than by other payer types.**

Non-claims-based payments, also known as non-fee-for-service, are payments to a health care provider intended to:

- Motivate efficient care delivery
- Reward achievement of quality or cost-savings goals, and
- Build health care infrastructure and capacity.

In total, more than 54 percent of primary care spending by Medicare Advantage plans was non-claims-based. More than 43 percent of primary care spending by CCOs was non-claims-based. Non-claims-based payments made up 44 and 37 percent of primary care spending for commercial carriers and PEBB and OEBC plans, respectively.

### **Of non-claims-based primary care spending, most carriers and CCOs used provider incentives and capitated payments.**

Most prominent carriers and CCOs reported some primary care spending in the form of provider incentives. Many reported capitated or salaried provider payments. Other non-claims-based categories were less common.

## **Differences from Previous Primary Care Spending in Oregon Reports**

After a competitive procurement process, OHA contracted with Human Services Research Institute (HSRI) to collect and maintain APAC data starting January 2021. Data analyses in the HSRI system will not match data analyzed previously due to differences in data processing between vendors. Although the methodology used to create this dashboard is the same as that used in previous reports, the data presented here should not be compared to previous reports to assess longitudinal trends due to the vendor transition.

For more information, including information on datasets for longitudinal analysis, see <https://go.usa.gov/xF7gh>