Health Care Reform Depends on Family Medicine: Walk softly BUT keep the stick close

Robert Phillips MD MSPH

The Robert Graham Center

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Agenda

- Healthcare Reform about the Economy this time
- Primary Care seen as a solution
  - Lower costs, better population health
- Giving everyone insurance without sufficient access to primary care = EXPENSIVE
- Physician shortage? Poor Distribution? Both
- Primary Care Pipeline sprung a leak
- Now the stick

Why Health Reform Now?

THE WALL STREET JOURNAL.
WSJ.com

OPINION | MAY 15, 2009

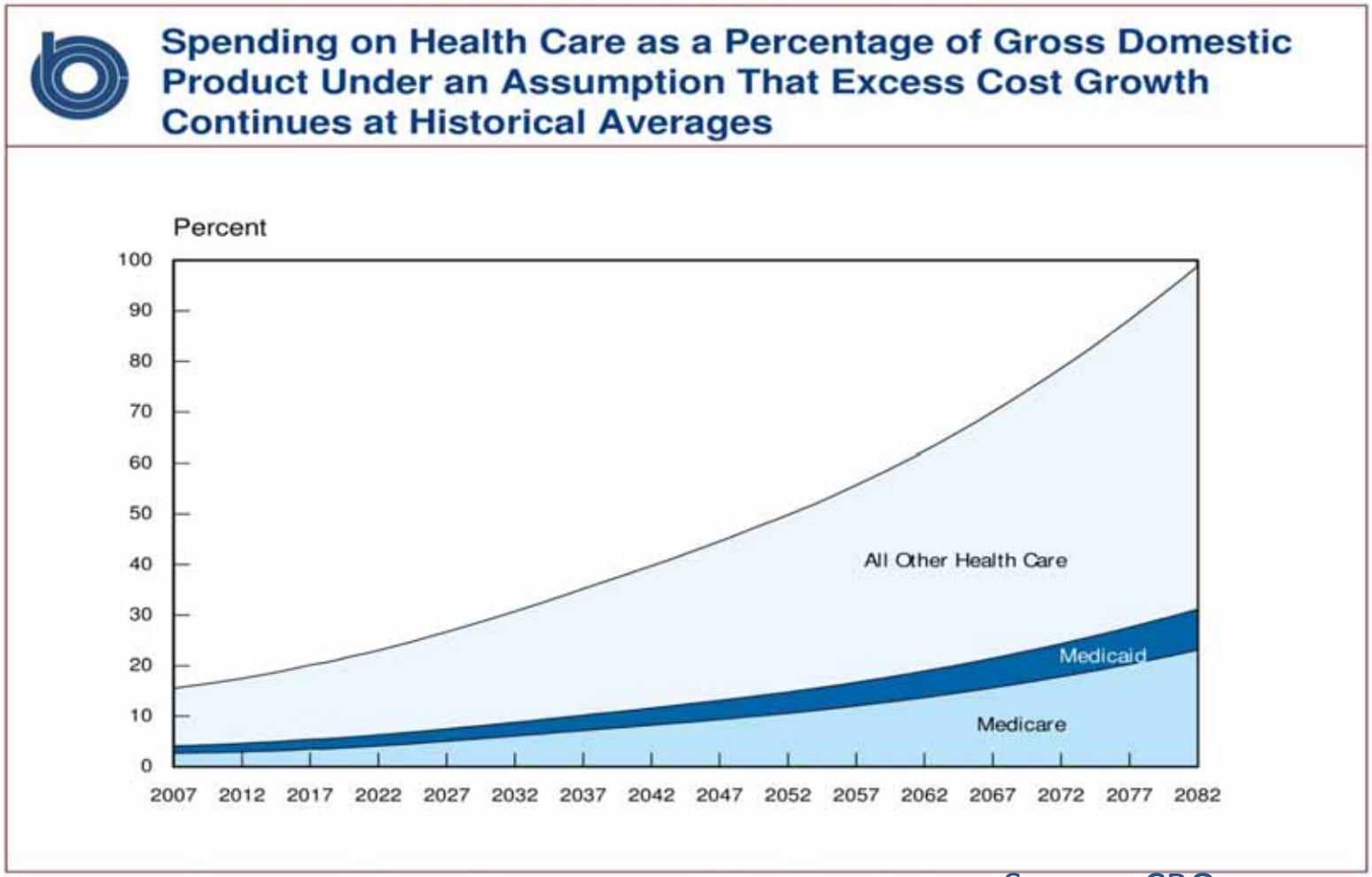
Health Costs Are the Real Deficit Threat

That's why President Obama is making health-care reform a priority.

By PETER R. ORSZAG

"Over the long run, the deficit impact of every other fiscal policy variable is swamped by the impact of health-care costs."

The Curve We're On



Source: CBO

Health Care Spending

- 16% of the US Economy ($2.3 trillion)

BUT

- From 2000 – 2005 healthcare devoured nearly 25% of our Economic Growth

- Now consumes 1/3rd of Federal and State Taxes

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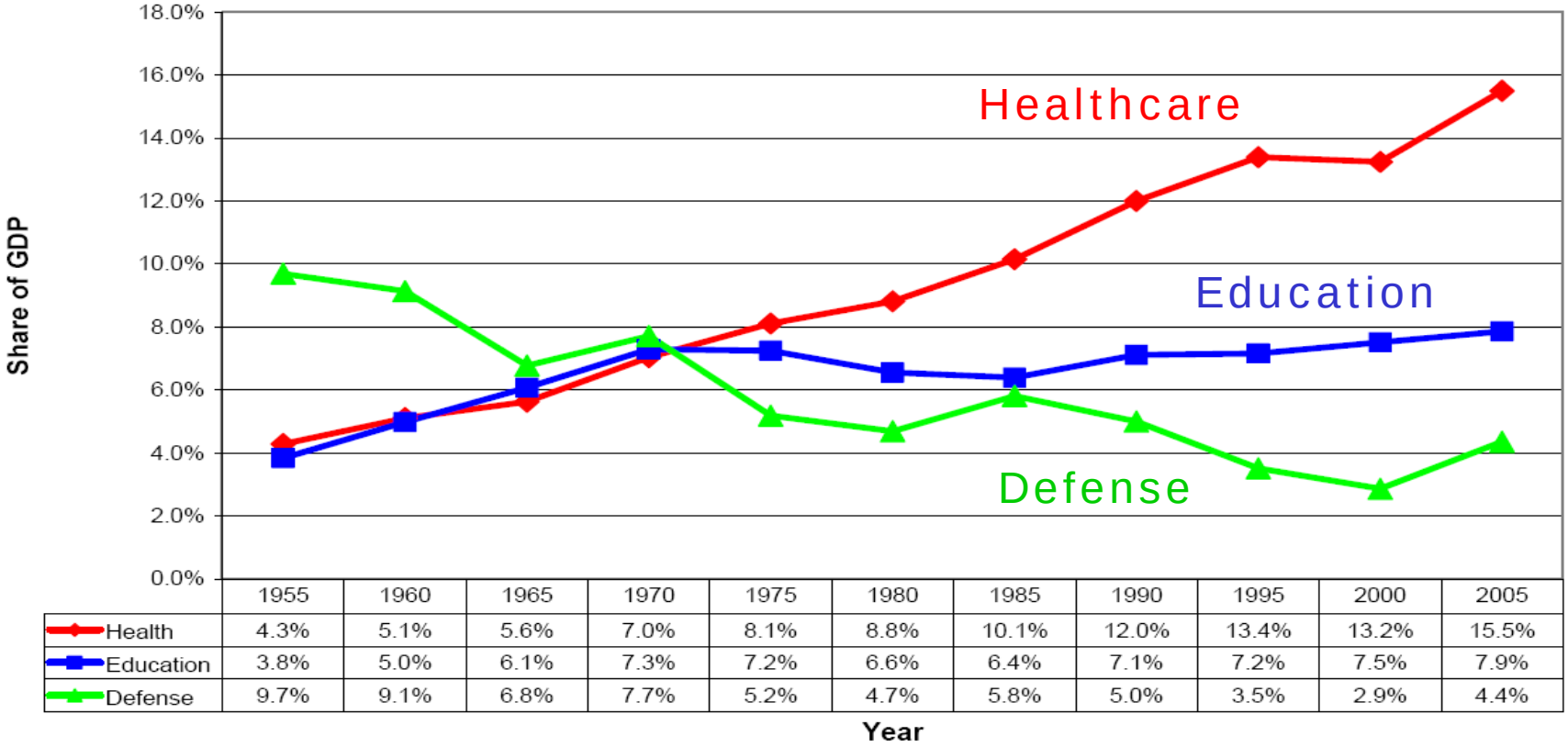
Healthcare Competes with Health



	1955	1960	1965	1970	1975	1980	1985	1990	1995	2000	2005
Health	4.3%	5.1%	5.6%	7.0%	8.1%	8.8%	10.1%	12.0%	13.4%	13.2%	15.5%
Education	3.8%	5.0%	6.1%	7.3%	7.2%	6.6%	6.4%	7.1%	7.2%	7.5%	7.9%
Defense	9.7%	9.1%	6.8%	7.7%	5.2%	4.7%	5.8%	5.0%	3.5%	2.9%	4.4%

White House Strategy

- Keep Health Reform THE Priority

"We can't allow the cost of health care to continue strangling our economy."

President Obama April 14, 2009

"The cost of health care is crushing businesses and families"

Kathleen Sebelius, Secretary of HHS
May 5, 2009

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Primary Care Ascendancy

- “Overhaul of the health care system must not only provide for universal coverage but also for more primary care doctors and nurses to ensure that an insurance card actually gives the holder access to treatment.”

Rep. Henry Waxman

Hearing: Making Health Care Work for American Families: Improving Access to Care
March 24, 2009

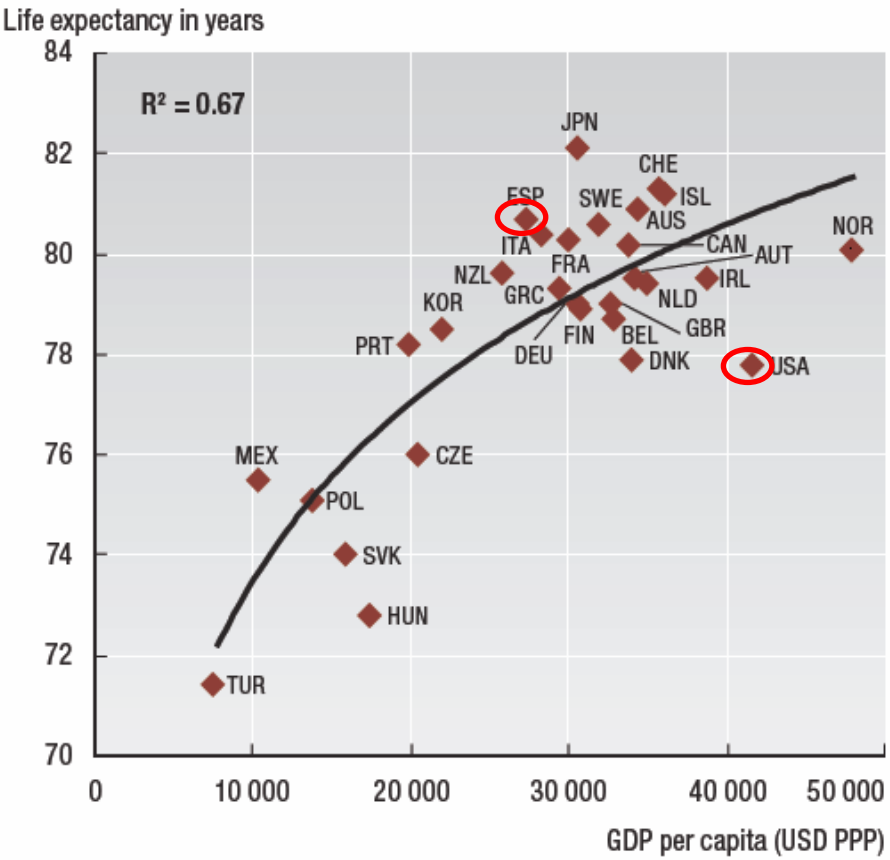
Primary Care Ascendancy

"meaningful, comprehensive reform must increase the value placed on primary care and redefine the role that primary care provides in our health system...My own view is primary care docs have to be paid quite a bit more, and we are going to provide for that."

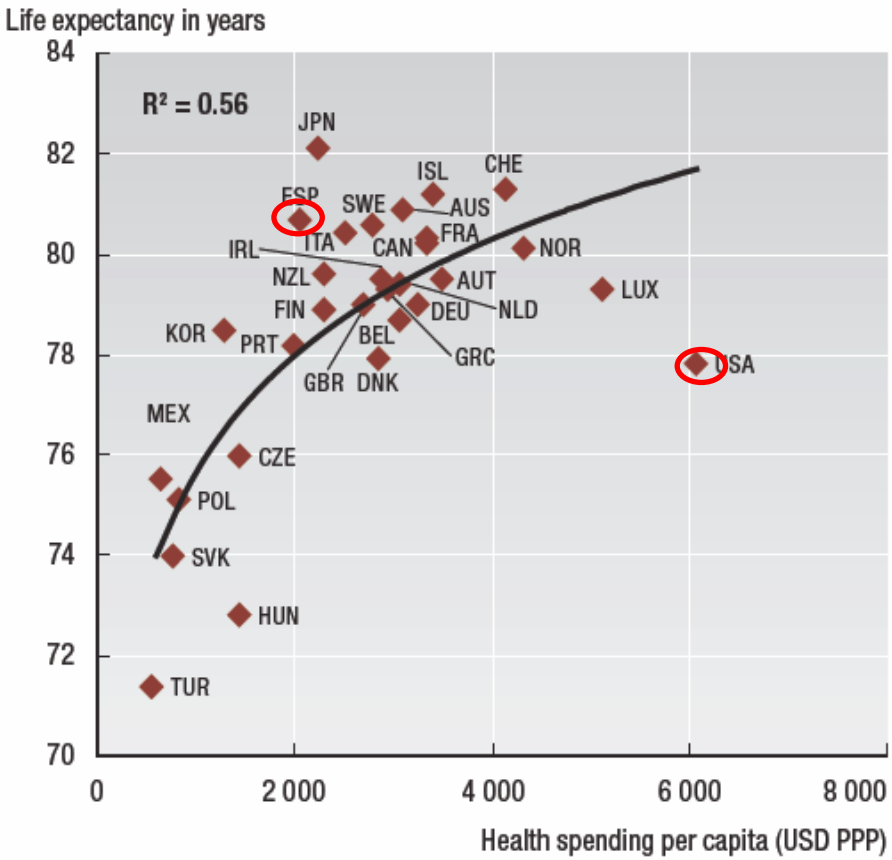
Sen. Max Baucus, chair
Senate Finance Committee

April, 2009

Life expectancy at birth and GDP per capita, 2005



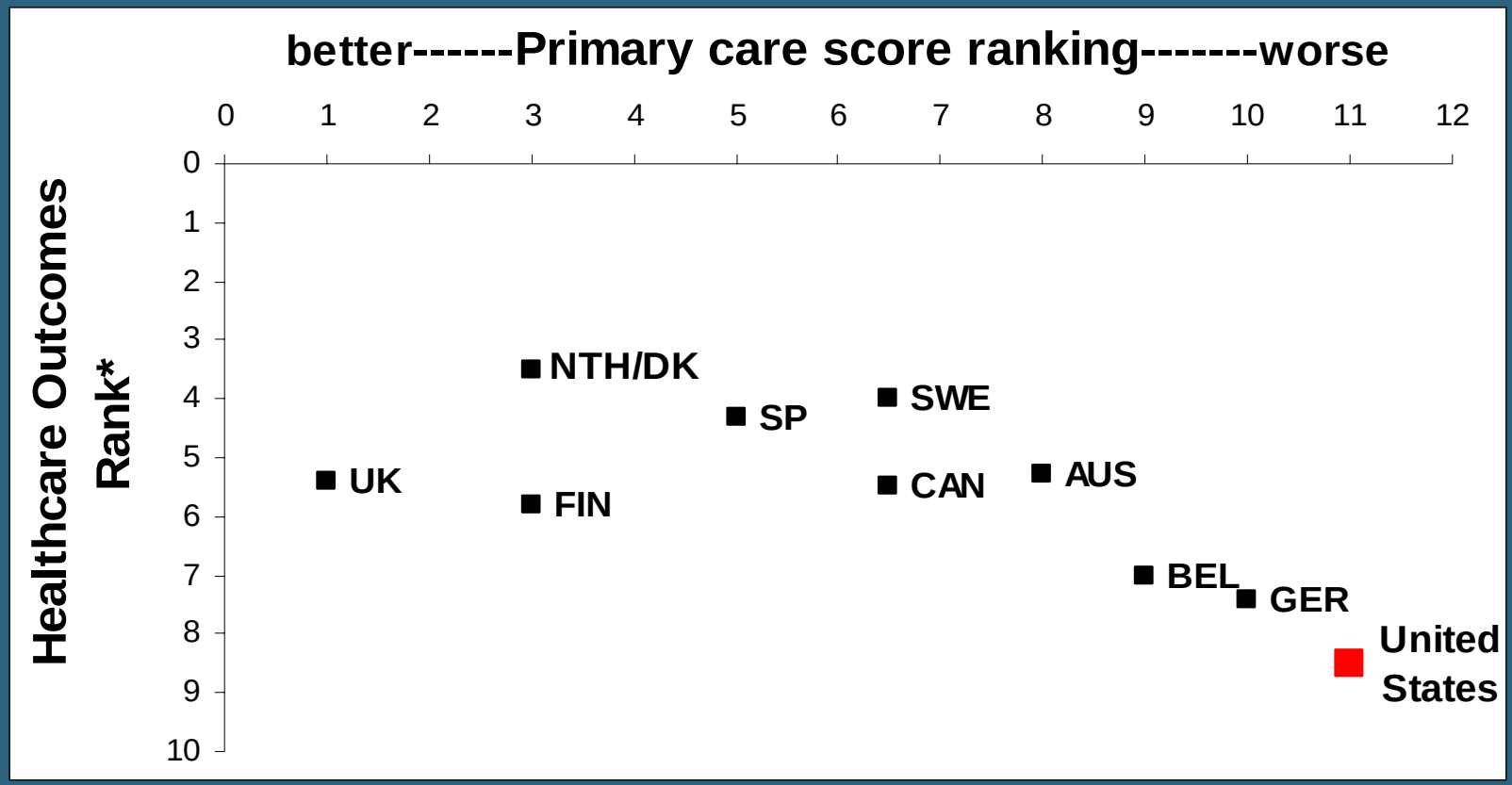
Life expectancy at birth and health spending per capita, 2005



The Honorable Bernat Soria, MD PhD Health Minister of Spain

October 17, 2008 Patient Centered Primary Care Collaborative Summit, Washington, DC.

Primary-care score vs health outcomes



*Rank based on patient satisfaction, expenditures per person, 14 health indicators, and medications per person in Australia, Belgium, Canada, Denmark, Finland, Germany, Netherlands, Spain, Sweden, United Kingdom, United States

Adapted with permission from Starfield B. Is primary care essential? Lancet 1994;344:1129-33.

Spain's Conversion: A Guide for the US?

- National Health System ----1986
- 1986--First Primary Care Health Center
- 2006--13,000 PC Health Centers
  - 1 : 1,350 = PC:population
- 8.4% of GDP
- 4th among the 19 most developed countries
  Health Affairs (Health Affairs 27: 58-71 (2008);)
- 6th among 191 countries
  British Medical Journal (2001)

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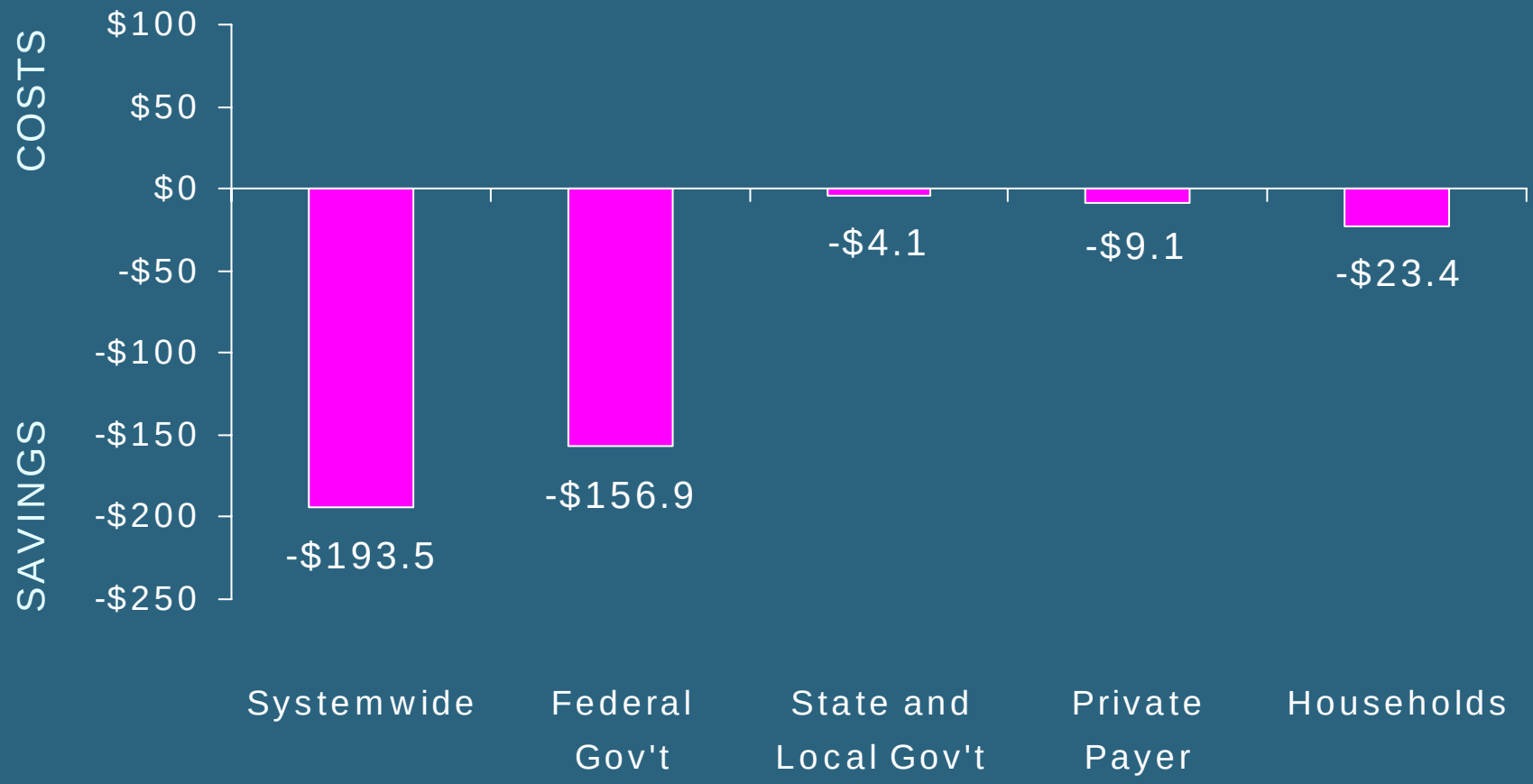
Current Contribution of Primary Care

- Only 5-6% of total expenditures in the current U.S. health care system are for primary care.
- In spite of this low level of investment, there is demonstrable positive impact:
  - Adults with an established relationship with a primary care physician had 33% lower costs of care, and were 19% less likely to die. (Starfield)
- The movement towards Patient Centered Medical Homes builds upon the current efficiency and quality of primary care practices...and improves them.

Strengthening Primary Care and Care Coordination in Medicare: Distribution of 10-Year Impact on Spending



Source: C. Schoen et al., *Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending*, The Commonwealth Fund, December 2008.

Why Primary Care? Massachusetts

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About 14 the

Massachusetts Faces Costs of Big Health Care Plan

By KEVIN SACK
Published: March 15, 2009

BOSTON — Three years ago, Massachusetts enacted perhaps the boldest state health care experiment in American history, bringing near-universal coverage to the commonwealth with Paul Revere speed.

To make it happen, Democratic lawmakers and Gov. Mitt Romney, a Republican, made an expedient choice, deferring until another day any serious effort to control the state's runaway

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http://www.kff.org/uninsured/upload/7451_04_Data_Tables.pdf
2008 Massachusetts Health Insurance Survey

Insuring Everyone

- Massachusetts cost model
  - Cost of care for all people currently without a usual source of care

    $125 billion - $145 billion
- Enhanced PC cost model
  - Give everyone cost of Best 5 states: Save $70 billion to Medicare
  - Give everyone cost outcomes of Community Health Centers: Save $450 billion

Need to build Primary Care Capacity Now

- So, with a higher per capita GDP, fewer uninsured and less rural-urban separation than Louisiana, Massachusetts has struggled to guarantee comprehensive primary care access for its population

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Considered by Congress Now/

- Primary Care Payment
- Primary Care Workforce
- Primary Care Extension Agent
- Patient Centered Medical Home
- Moving residency training into community
- Community Health Care Teams

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PC Payment

- Senate Finance proposes 5% bonus on Medicare claims for docs who provide 60% of care in ambulatory settings

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Proposed Adjustment in allowed charges	% increase in average physician Medicare annual revenue		
	Family Medicine/GP	Family Medicine/GP	
5%	$1,977	2.5%	(0.68%)
25%	$9,884	12.5%	(3.4%)
50%	$19,768	24.9%	(6.7%)

$300 million $1.5 billion $2.9 billion

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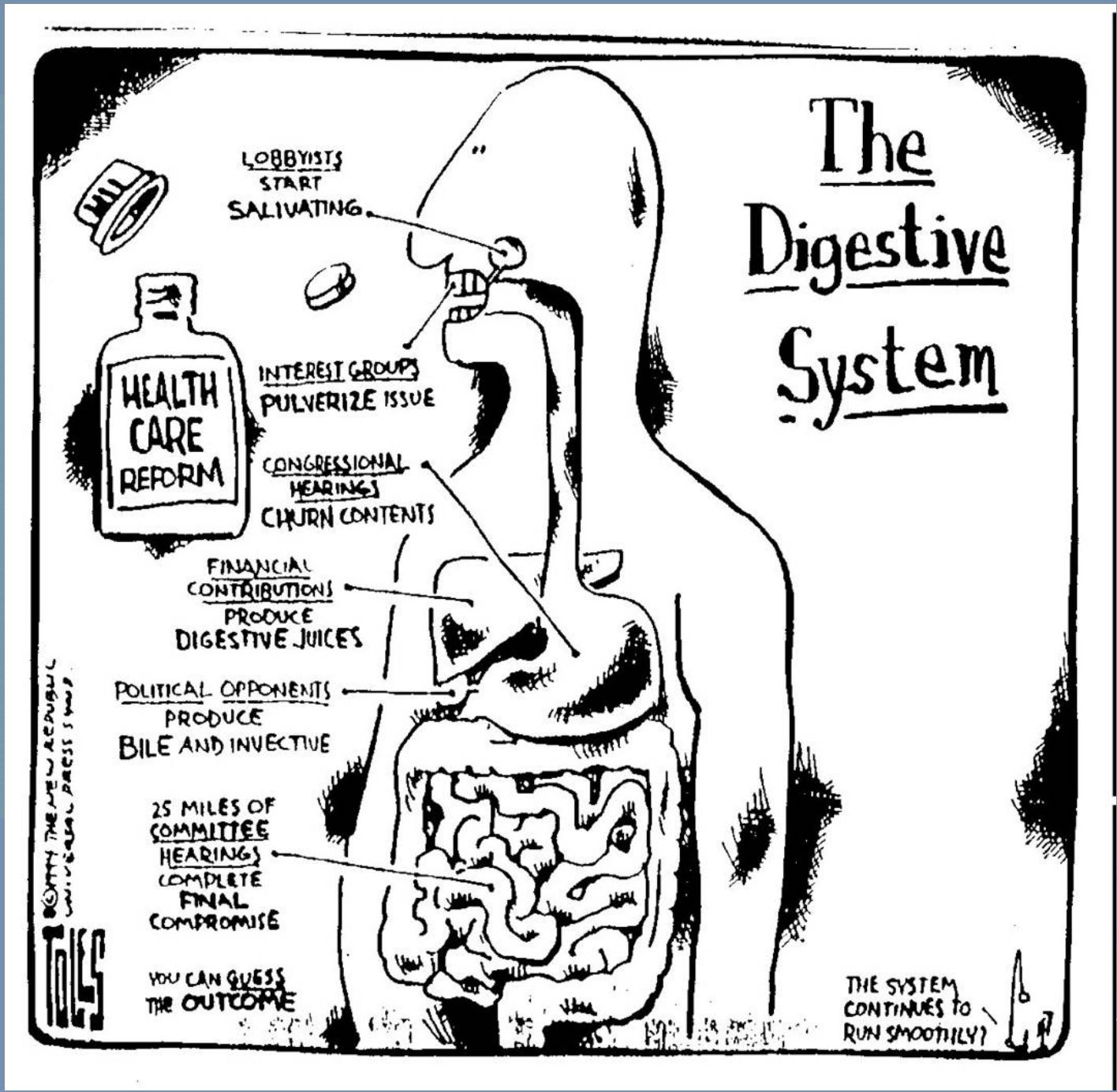
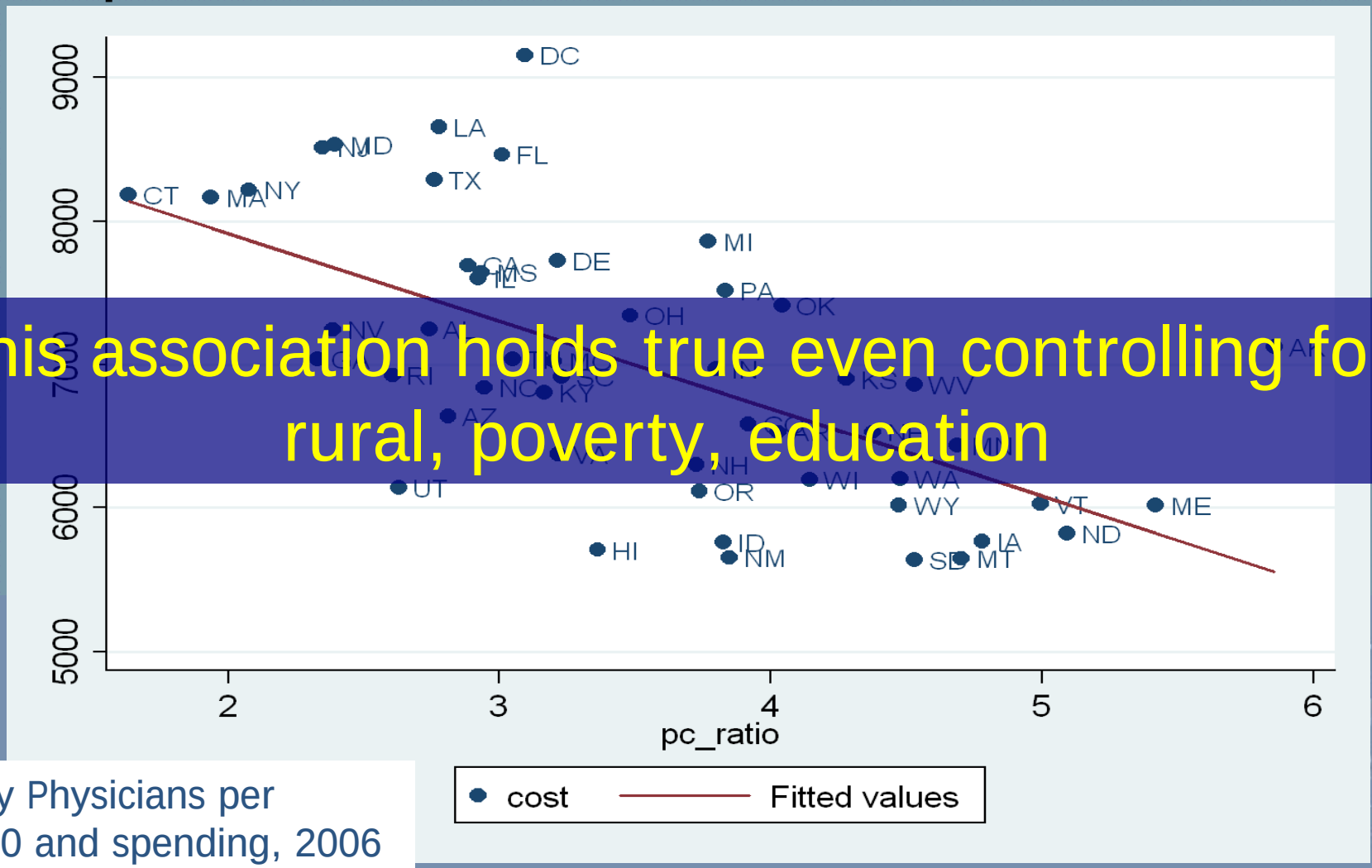


Greater numbers of family physicians per capita is associated with lower cost care



This association holds true even controlling for rural, poverty, education

Family Physicians per 10,000 and spending, 2006

Is it too few physicians?

- 97,752 family physicians/general practitioners
  - 1 for every 3, 081 persons
- 92,257 general internists
  - 1 per 2,443 adults
- 48,930 general pediatricians
  - 1 for 1,548 children and adolescents
- **238,939 primary care physicians**
  - **1 for every 1,260 persons**

  (one of all physicians per 454 persons)

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Is it a Primary Care Shortage?

- Problems:
  - Distribution
    - Still concentrated in desirable areas
    - Relative shortage in underserved and rural areas
    - True for physicians, NPs and Pas
  - Scope
    - Primary care physicians performing non-primary care tasks to remain solvent

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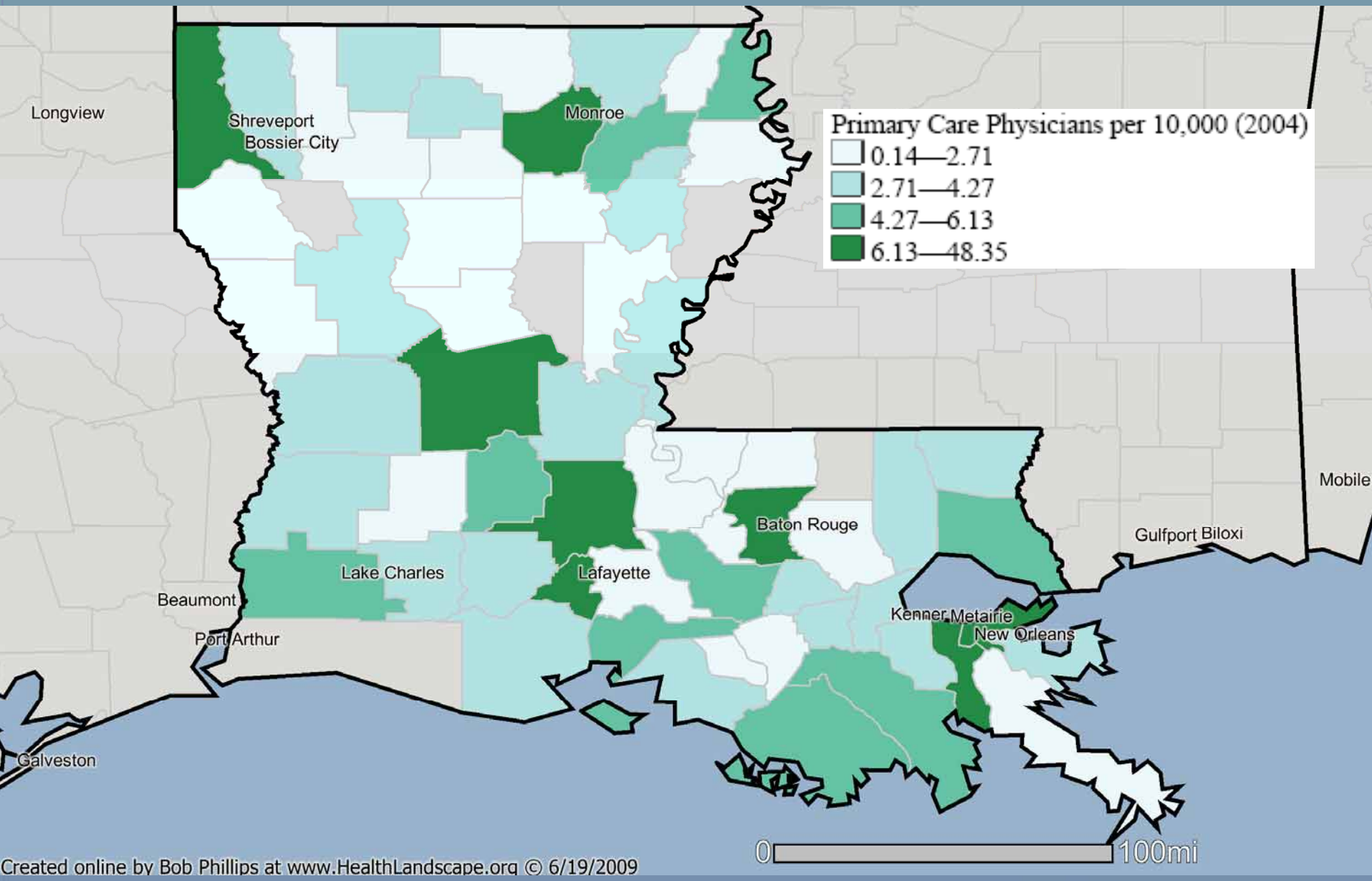
Primary Care Physicians per 10,000 (2004)
0.14—2.71
2.71—4.27
4.27—6.13
6.13—48.35
Longview
Shreveport
Bossier City
Monroe
Baton Rouge
Lake Charles
Lafayette
Beaumont
Port Arthur
Kenner
Metairie
New Orleans
Gulfport
Biloxi
Mobile
Galveston
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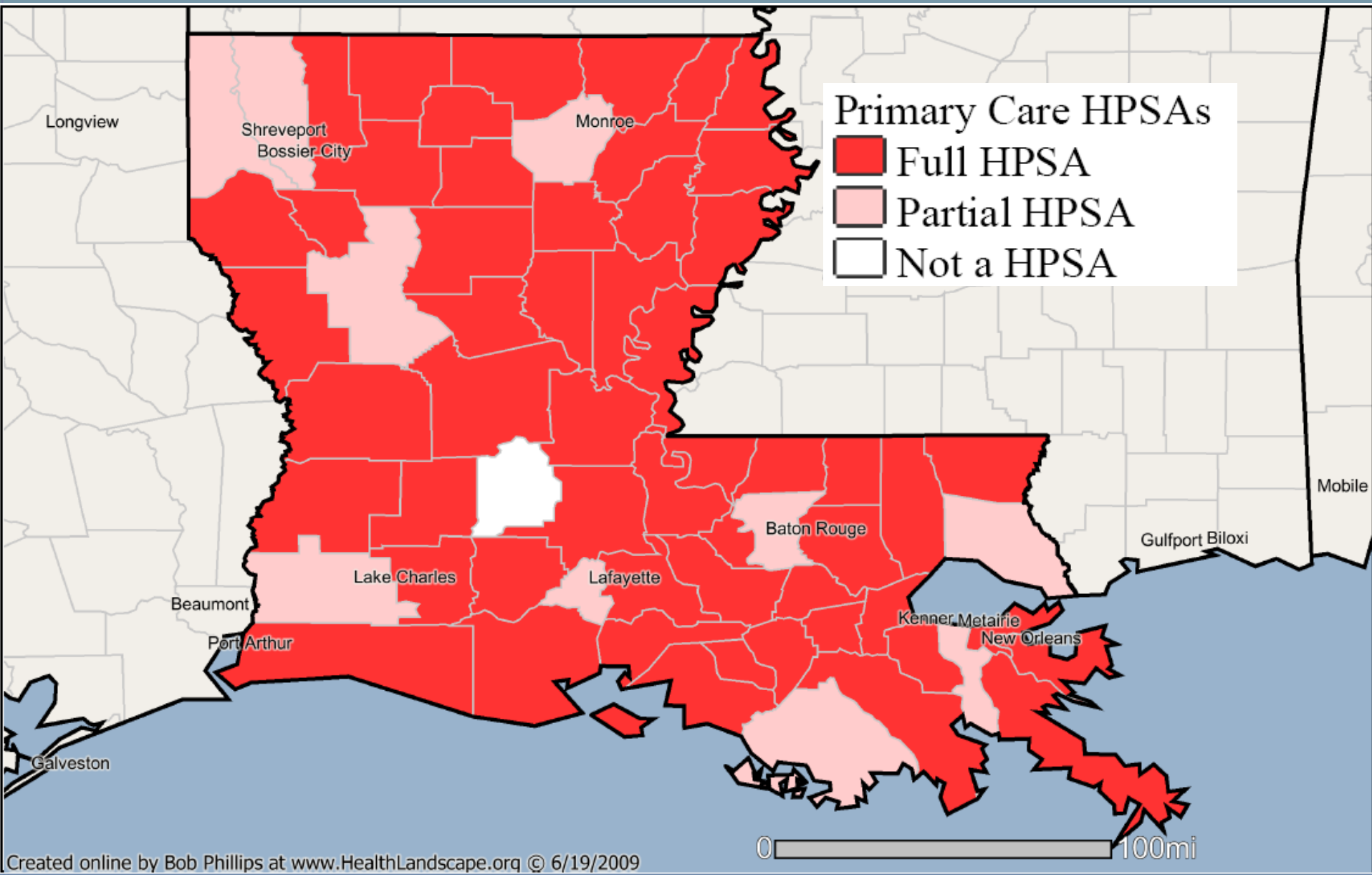
100mi
Created online by Bob Phillips at www.HealthLandscape.org © 6/19/2009


Primary Care HPSAs
Full HPSA
Partial HPSA
Not a HPSA
Longview
Shreveport
Bossier City
Monroe
Mobile
Baton Rouge
Gulfport Biloxi
Lake Charles
Lafayette
Beaumont
Port Arthur
Kenner Metairie
New Orleans
Galveston
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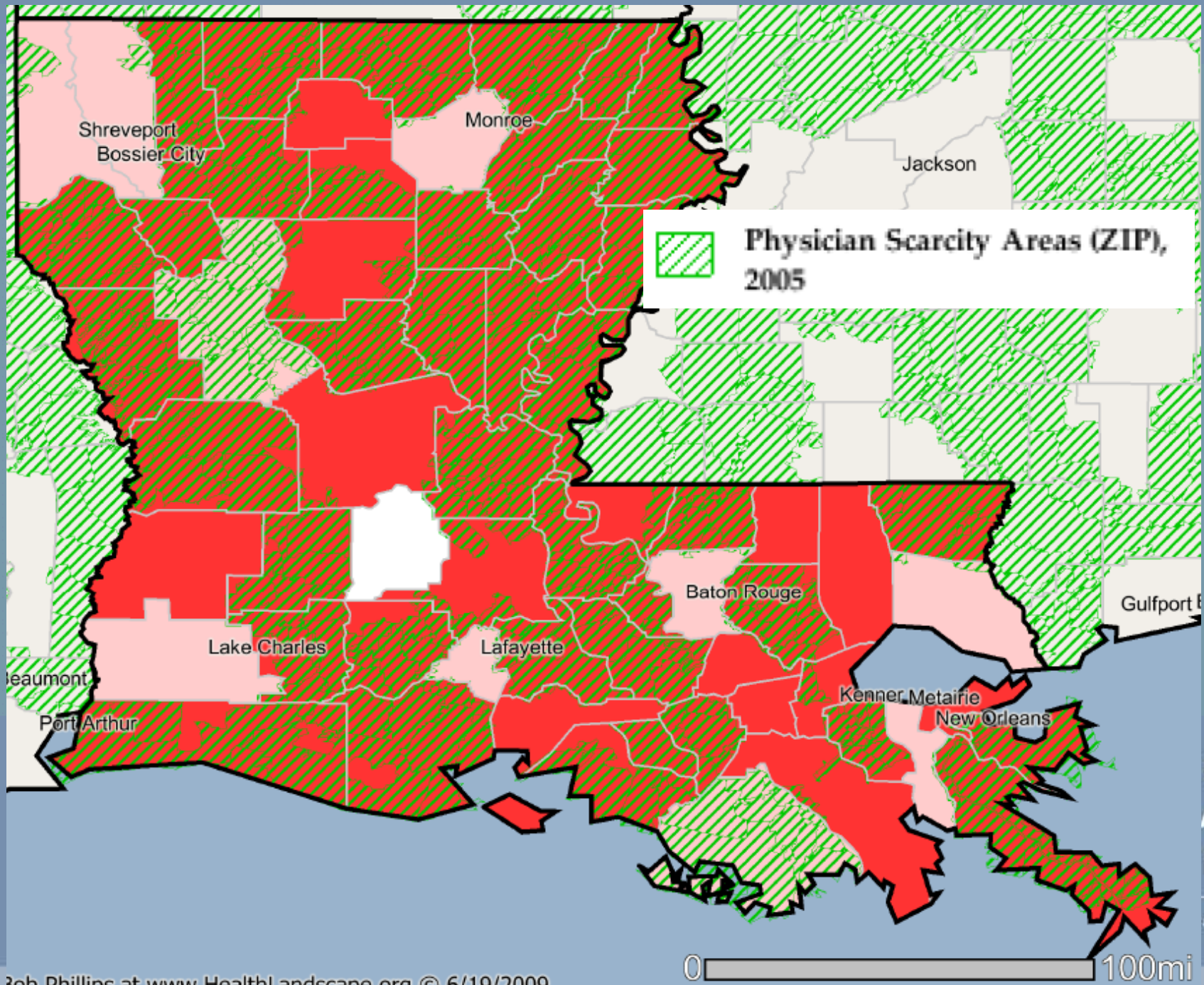
Shreveport
Bossier City
Monroe
Jackson
Physician Scarcity Areas (ZIP), 2005
Baton Rouge
Gulfport
Lake Charles
Lafayette
Beaumont
Port Arthur
Kenner
Metairie
New Orleans
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Bob Phillips at www.HealthLandscape.org © 6/19/2009

What lies ahead: Will there be a Primary Care Shortage?

- What's to come:
  - Substantial decline in US student interest
  - Increased reliance on international students
  - Increased interest in specialization and alternative careers
  - Increased opportunity to specialize
  - Contraction of primary care training programs
  - Majority of PAs now subspecialize; NPs?
- Current physician expansion effort not promoting primary care

Student Interest

General Internal Medicine	2.0%
Med/Peds	2.7%
Family Medicine	4.9%
General Pediatrics	11.7%
Total:	21.3%

K. E. Hauer et al. Choices Regarding Internal Medicine Factors Associated With Medical Students' Career *JAMA*. 2008;300(10):1154-1164

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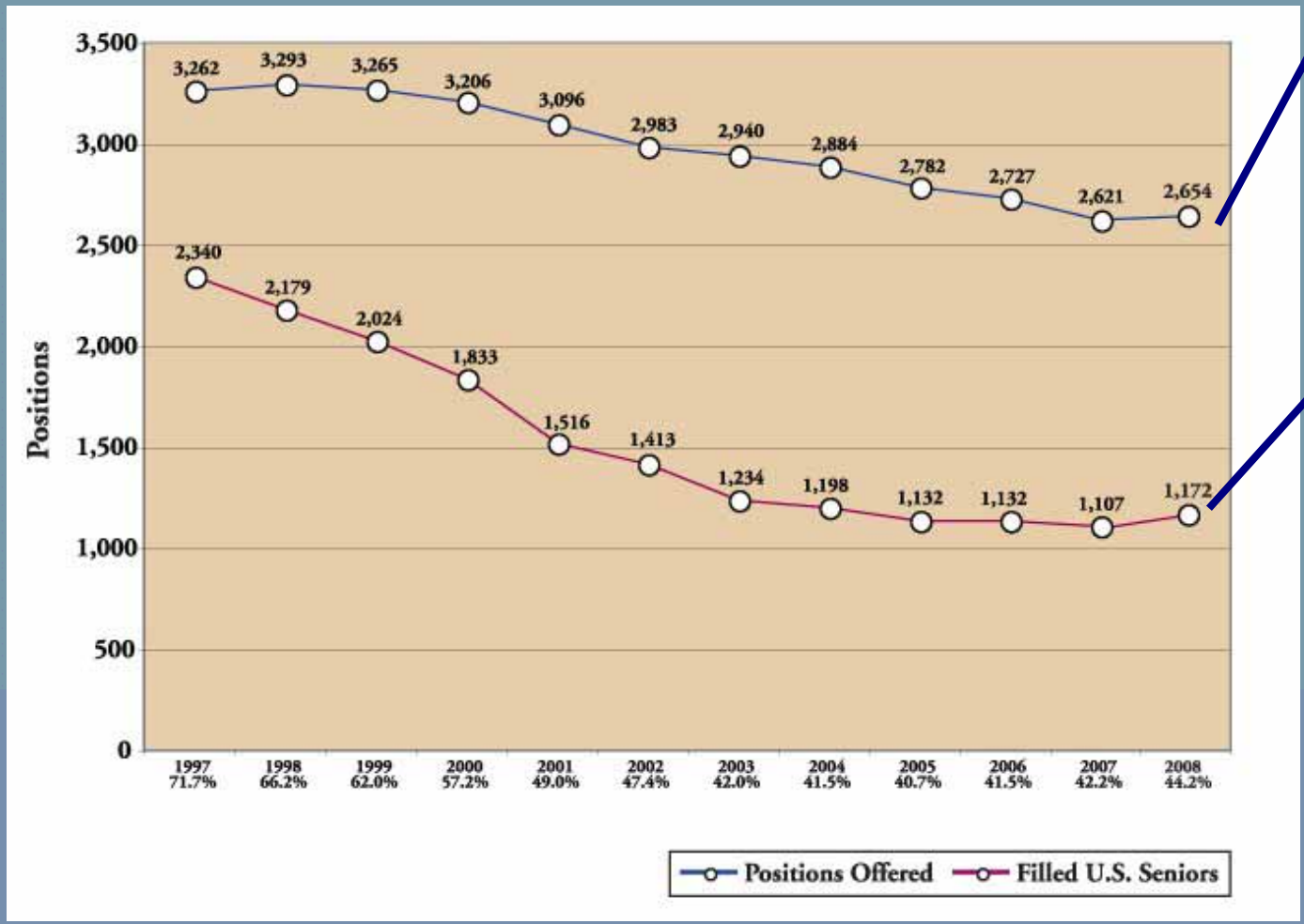
Status check: Family Medicine



Family Medicine Positions March, 2008

Filled by US Graduates

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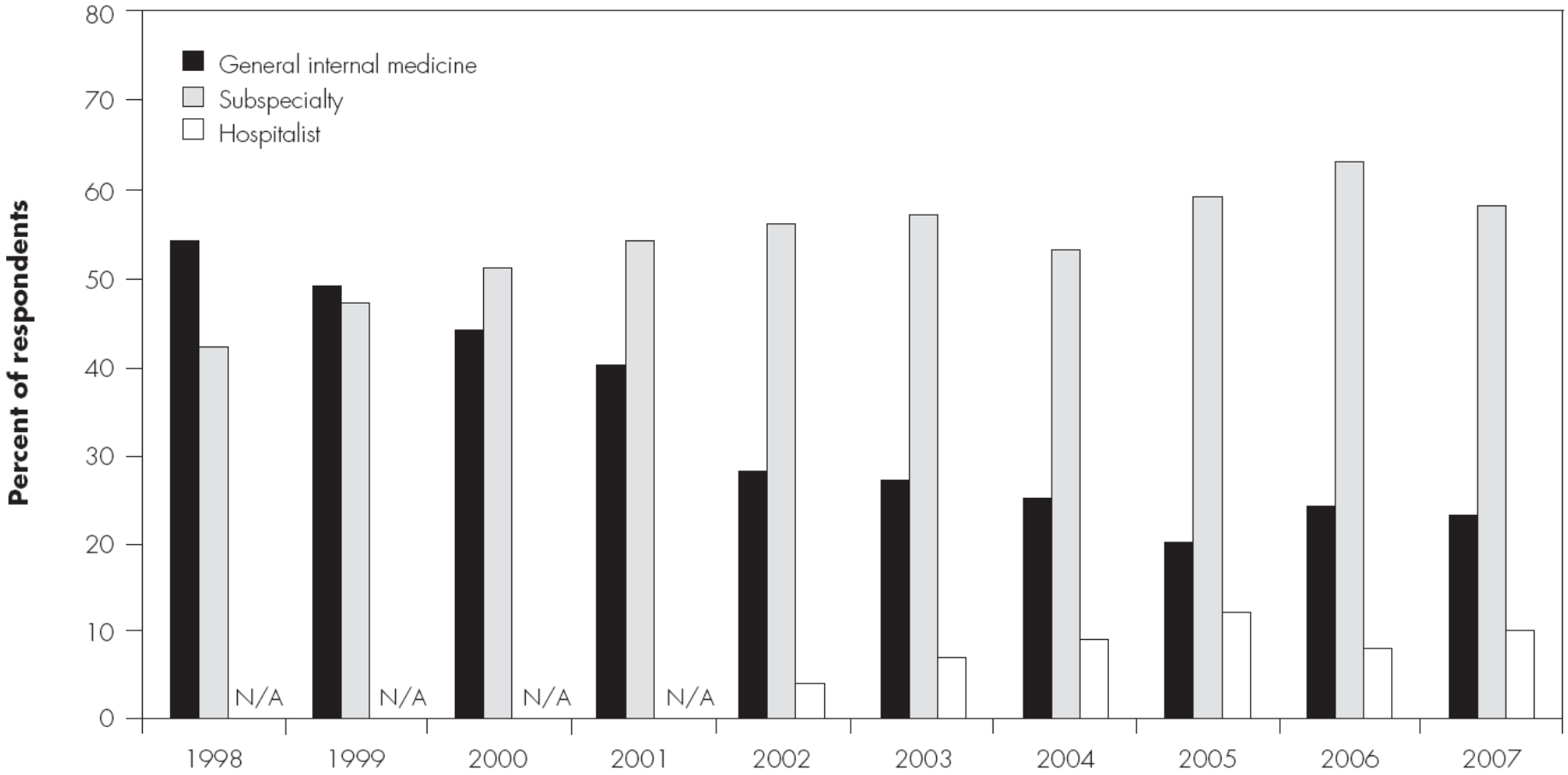
FIGURE 2–2

Proportion of third-year internal medical residents becoming subspecialists or hospitalists is growing



Note: MedPAC June 2008

Source: Bodenheimer, T. 2006. Primary care–Will it survive? *The New England Journal of Medicine* 355:861–864. *Copyright © 2006 Massachusetts Medical Society. All rights reserved.* Updated to include years 2006 and 2007, supplied by Thomas Bodenheimer, who obtained the relevant data from The American College of Physicians.

Erosion of Primary Care Training Capacity

- Since 1996 GME cap was put in place in 1996, positions in the annual student Match have fallen by
  - 57% for primary care internal medicine
  - 34% for primary care pediatric positions
  - 18% for family medicine

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Primary care losing ground: GME

- Between 2002 and 2006
  - Residency positions grew +7.9%
  - Subspecialty positions grew +24.7%
    - (33% between 2001 and 2008)
  - Primary care positions grew +2.3%
  - Family Medicine positions fell -2.8%
    - **However…the estimated number of graduates going on to practice primary care fell 15%** (from 28.1% to 23.8%)

E. Salsberg et al. US Residency Training Before and After the 1997 Balanced Budget Act. *JAMA.* 2008;300(10):1174-1180.

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Residency expansion

- Growth of specialty/subspecialty spots is bleeding primary care
- PC grads could fall to 17% of residency grads in next 5+ years
- COGME: Hospital incentives all wrong, bending GME to their financial needs

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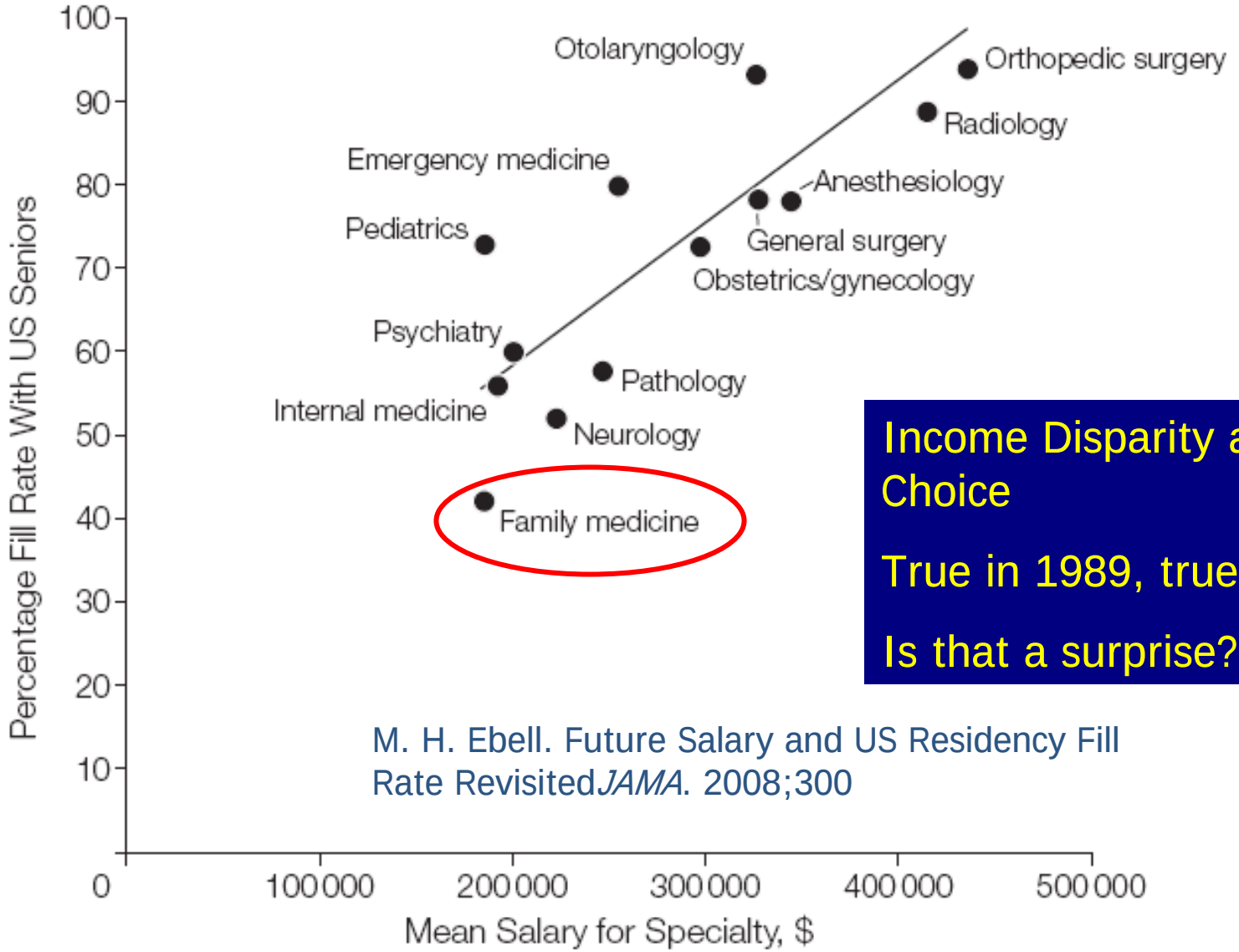
Figure. Percentage of Positions Filled With US Seniors vs Mean Overall Income By Specialty



Income Disparity affects Choice

True in 1989, true now

Is that a surprise?

M. H. Ebell. Future Salary and US Residency Fill Rate Revisited*JAMA*. 2008;300

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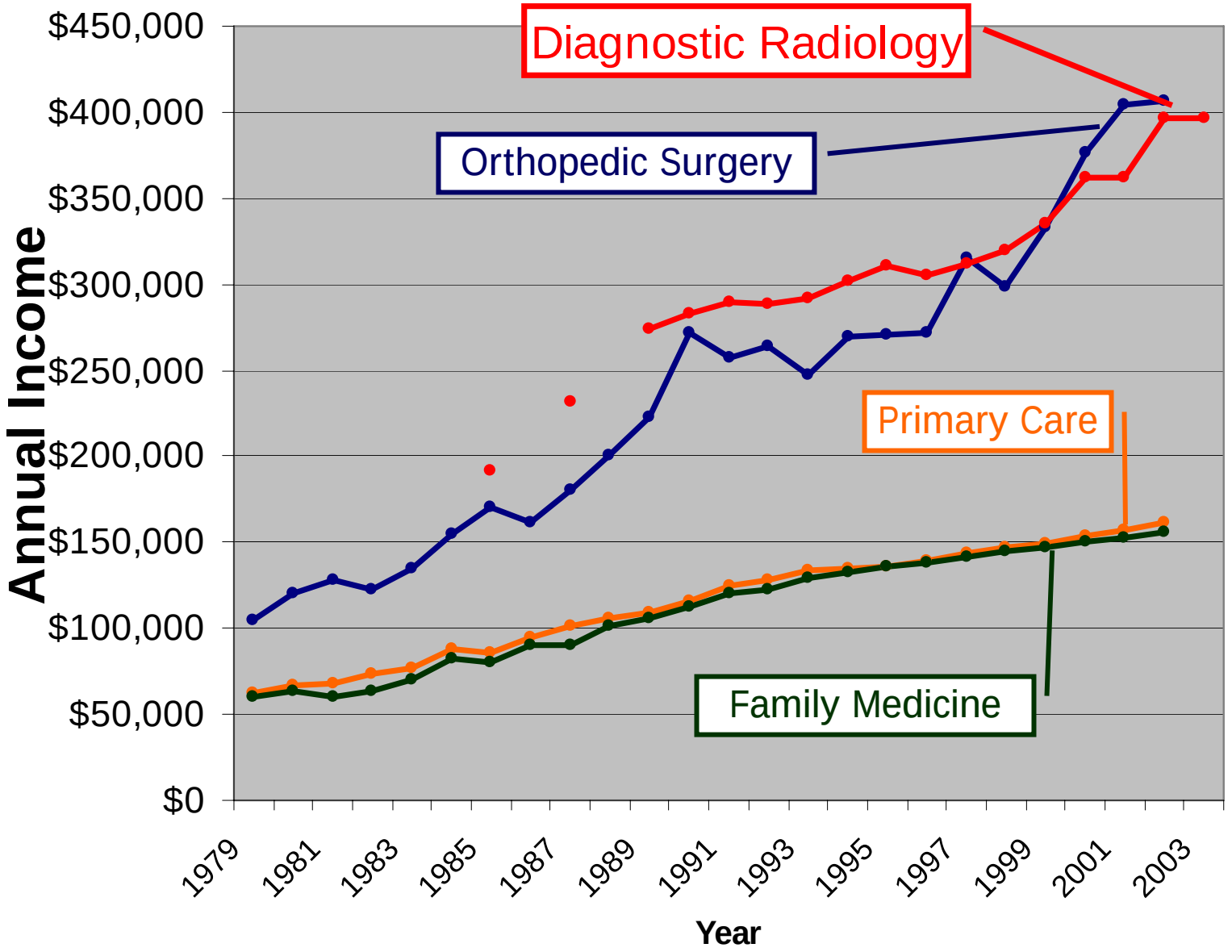
Progress of the Physician Payment Gap



Message to the Hill

- Primary Care cannot fulfill its role in Healthcare Reform if specialty income disparity and training models aren't changed
- Neither moves much by tweaking

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Family Medicine is Primary Care

Adults **Usual source of health care**	**Adjusted expenditures**	**Difference from FP/GP**
Total Healthcare Expenditures		
Family Medicine (FP/GP)	$2,753	**Ref**
General Internist (IM)	$3,734	**$981***
Sub-Specialists	$3,521	$768*
Non-Hospital clinic	$2,414	-$339*
Hospital or other facility	$2,504	-$249*
Has No USC	$865	-$1,888*

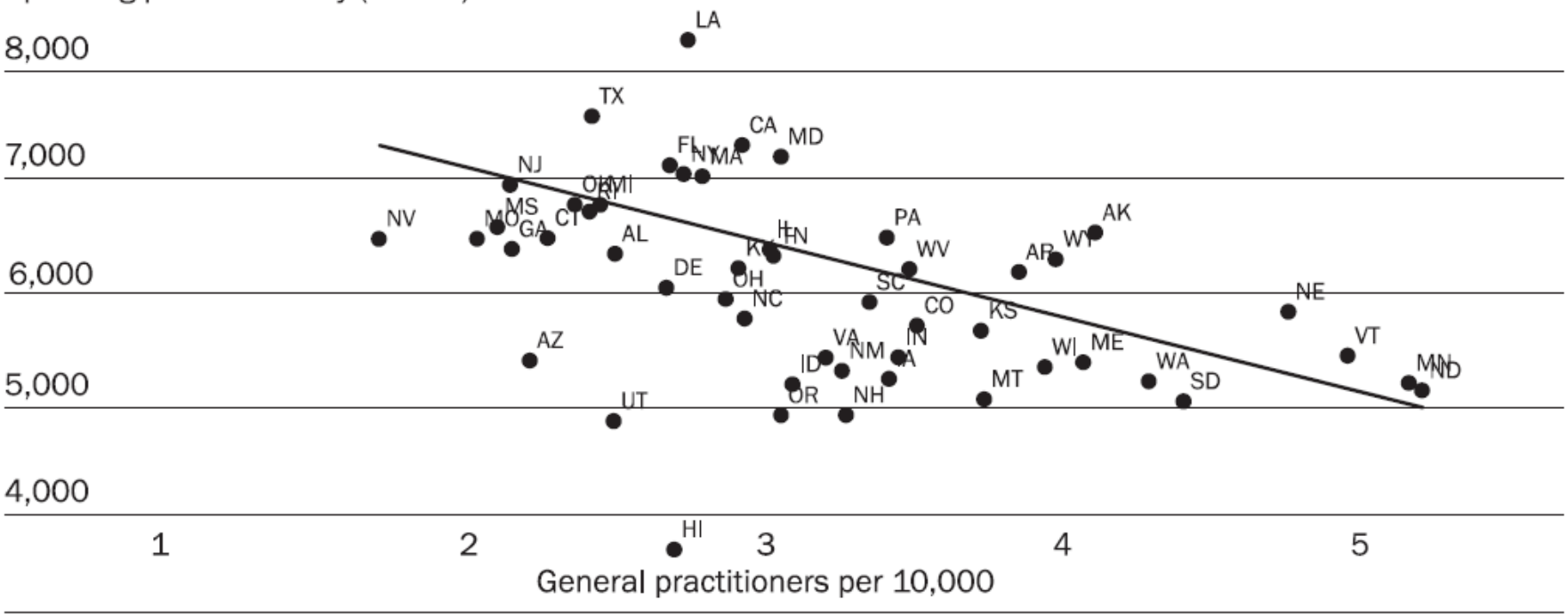
“Primary-Careness” 60% threshold for Medicare bonus

	RGC Part B 2006 non-institutional only	MedPAC Part B 2006 institutional & non-institutional
Geriatric Medicine	65.1%	65.0%
Family Medicine	58.4%	62.5%
Internal Medicine	38.9%	44.4%
Pediatric Medicine	36.1%	36.5%
Other physicians	17.4%	13.4%

More “generalist” physicians per capita is associated with lower cost care

EXHIBIT 9

Relationship Between Provider Workforce And Medicare Spending: General Practitioners Per 10,000 And Spending Per Beneficiary In 2000



SOURCES: Medicare claims data; and Area Resource File, 2003

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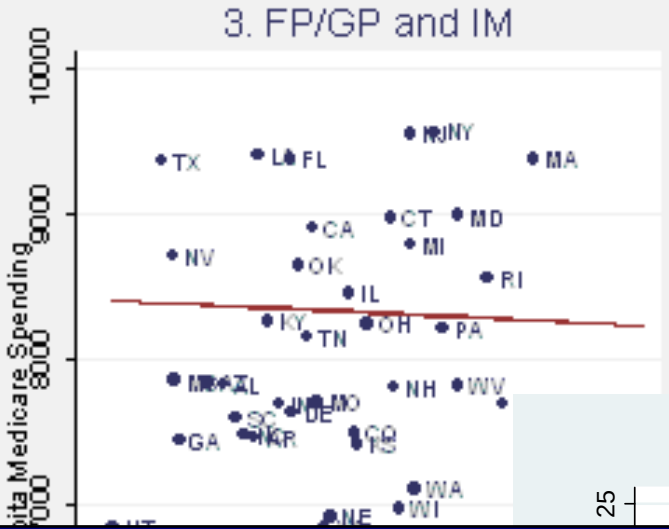
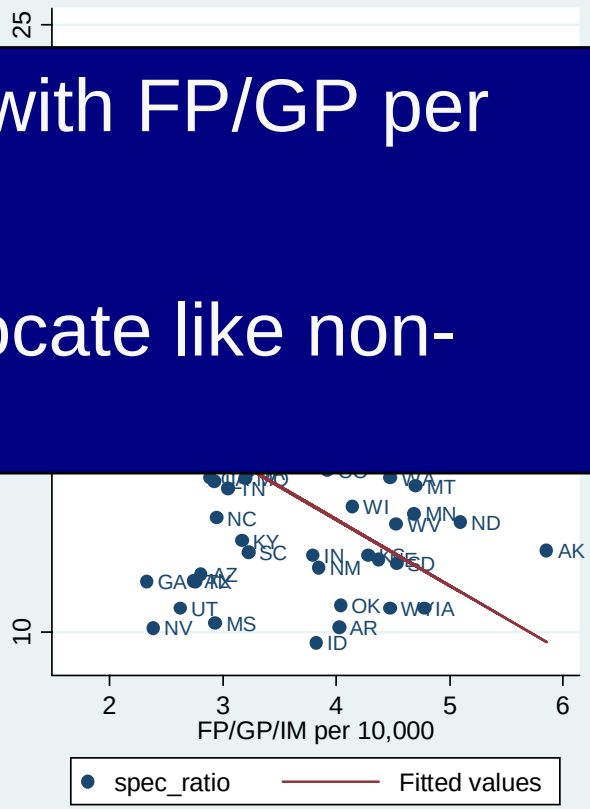
Baicker and Chandra, Health Affairs April 2004

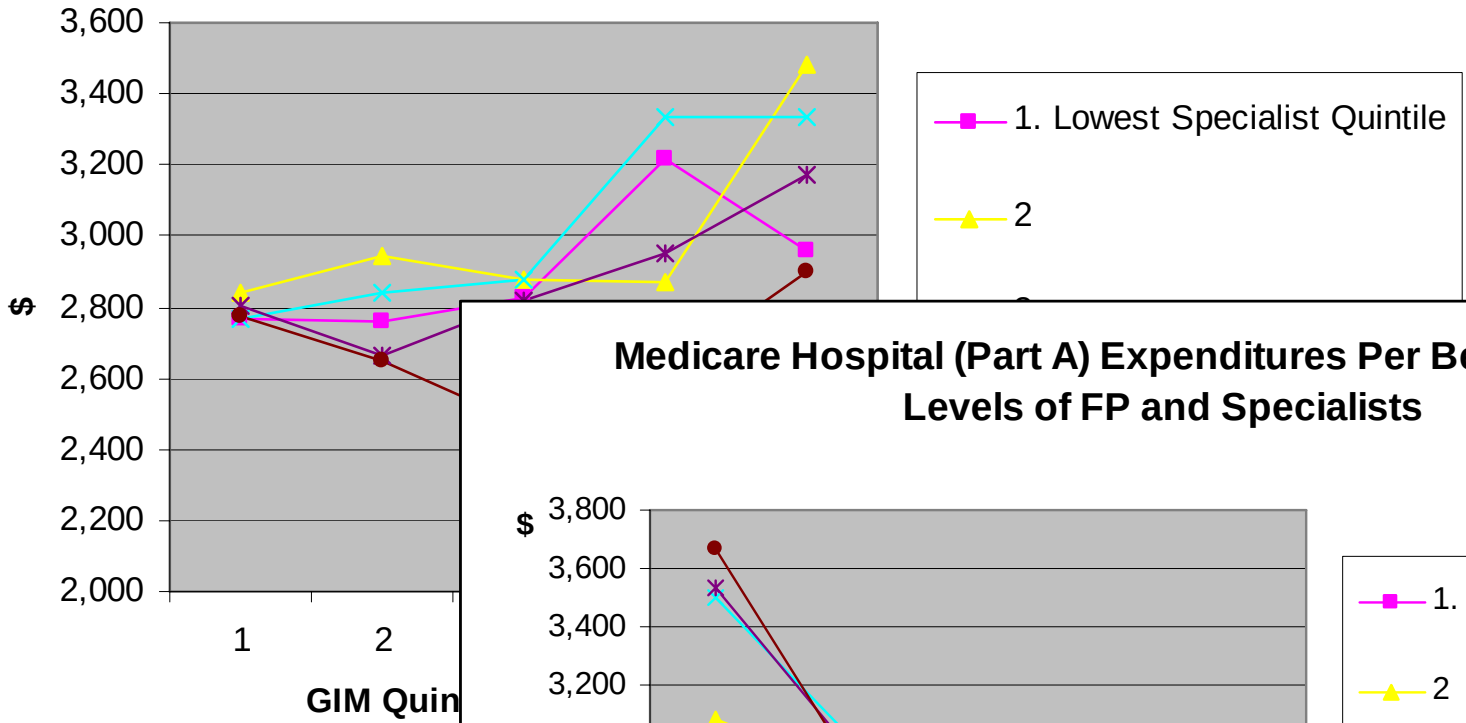




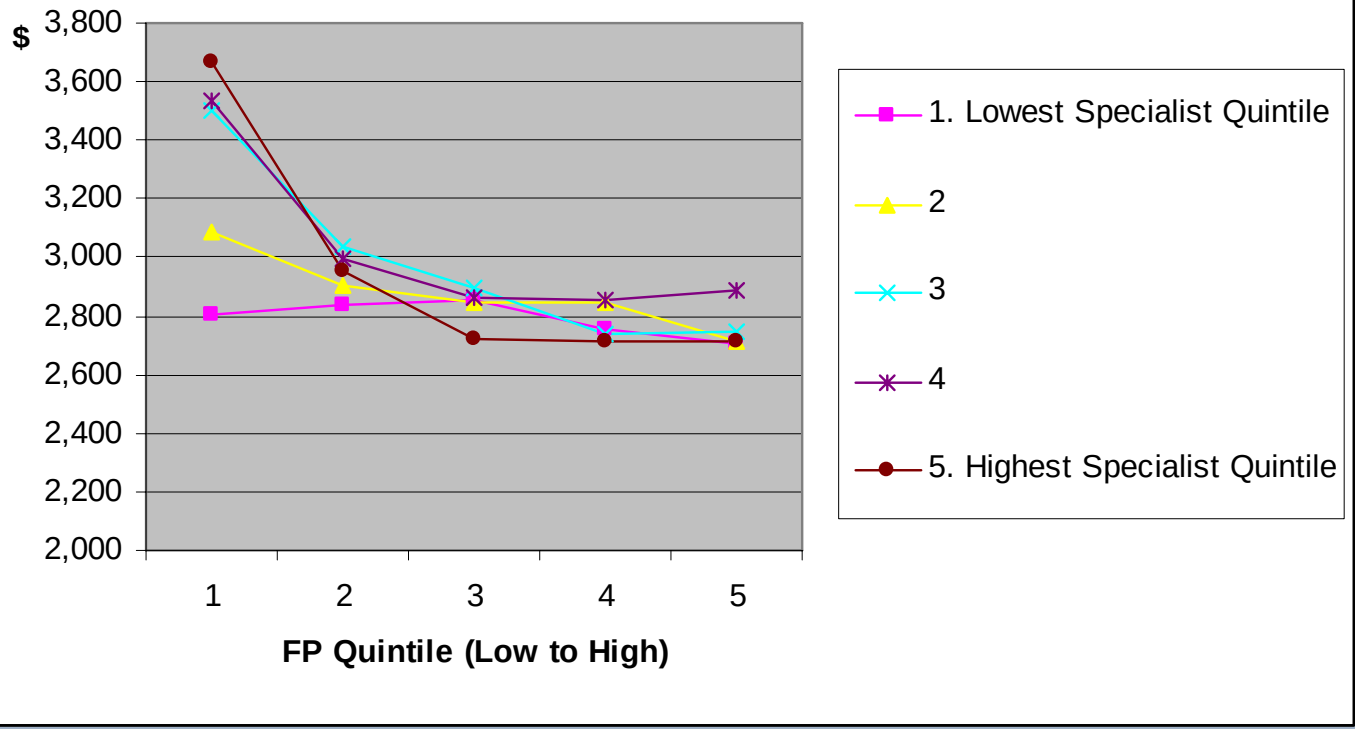
Lower Medicare spending correlated with FP/GP per population -- but not if GIM included

General Internists are more likely to locate like non-primary care specialists

Medicare Hospital (Part A) Expenditures Per Beneficiary, By Levels of GIM and Specialists



Medicare Hospital (Part A) Expenditures Per Beneficiary, By Levels of FP and Specialists



The Stick

- Primary care payment policy is threatening
  - In a budget neutral Congress = food fight
  - Need to prevent primary care schism = bring general internal medicine along
  - Need to be strong in message and grassroots
- Friends are unwilling to lead
  - Key business leaders are cheerleading but looking to Congress, Medicare to lead

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The Stick

Your Value is finally being recognized and may be rewarded...

You'll need to enter the fray...

Bring a stick

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