



Background

On January 22, 2020, Governor Lamont signed [Executive Order No. 5](#) directing the establishment of a statewide healthcare cost growth benchmark and a primary care spending target. With the goal of slowing the growth of healthcare spending and making healthcare more affordable for the citizens of Connecticut, Executive Order No. 5 directs the Office of Health Strategy (OHS) to develop annual healthcare cost growth benchmarks for calendar years (CY) 2021-2025. **The Executive Order No. 5 also requires OHS to set targets for increased primary care spending in Connecticut as a percentage of total state healthcare spending to reach 10 percent by 2025.**

Connecticut's Primary Care Spending Target

This fact sheet provides information regarding implementation of Governor Lamont's directive to establish a statewide primary care spending target.

1. What is a primary care spending target?

A primary care spending target is an expectation for what percentage of healthcare spending should be devoted to primary care. A primary care spend target evaluates primary care spending as a percentage of total medical spending.

- Executive Order No. 5 establishes the expectation that Connecticut will increase primary care spending as a percentage of total healthcare spending to 10 percent by 2025.

2. Who will benefit from a primary care spending target?

Connecticut's primary care practices will benefit from the primary care spending target. The target will serve as an important step towards rebalancing the state's health care system investment towards primary care. Research has demonstrated that greater investment in primary care leads to better patient outcomes, lower costs, and improved patient experience of care.

Payers will have discretion as to how they increase primary care spending. There is no insurer penalty for not reaching the annual targets for 2021-2024, nor for failing to meet the 2025 target of 10 percent. However, OHS does intend to report on performance against the target at both the market and individual payer levels.

3. Why set a primary care target?

The U.S. healthcare system is largely focused on specialist care. Research shows that greater relative investment in primary care as a percentage of overall healthcare spending leads to better patient outcomes, lower costs, and improved patient experience of care. Some states are strengthening their healthcare systems by:

- supporting improved primary care delivery (e.g., expanding the primary care team, supporting advanced primary care model adoption); and/or
- increasing the percentage of total spending that is allocated towards primary care.

4. What is the primary care spending target for 2021?

The target for calendar year 2021 is 5.0 percent, using OHS' definition of primary care spending. It is conservative given that the current best estimate of statewide spending on primary care is 4.8 percent.¹ OHS' advisory bodies recommended setting a conservative target for the first year of the target due to the lack of payer-reported baseline data, utilization changes occurring due to COVID-19, and the establishment of the 2021 target late in 2020 limiting payer actions to increase primary care spending in 2021.

OHS will establish primary care spending targets for calendar years 2022-2024 in late 2021, after receiving guidance from its advisory bodies on parameters for how spending should be increased. These parameters will impact how quickly primary care spending should increase on an annual basis to reach the five-year target.

5. How will OHS define primary care spending for purposes of measuring performance against the target?

To measure progress toward the 10 percent target for primary care spending, OHS first needed to work with its advisory bodies to establish a definition of "primary care spending." This entailed defining which providers are considered "primary care providers" and which services are considered "primary care services."

OHS will utilize the definitions of primary care providers (see #6 below) and primary care services (see #7 below) to calculate statewide spending against the Target established in Executive Order 5.

¹ OHS calculated a statewide weighted average of current primary care spending by total health care expenditures. Commercial and Medicare data were from UConn and Medicaid data were from Freedman Healthcare and the Department of Social Services. While OHS' best estimate of statewide primary care spending is 4.8 percent, Freedman Healthcare's data suggest that Medicaid primary care spending alone is 9.0 percent.

6. Which providers are considered “primary care providers”?

For purposes of measuring against the primary care spending target, the following providers are considered “Primary Care Providers.”

	Primary Care Providers
<u>Included Providers</u> (in outpatient settings*)	<ul style="list-style-type: none"> • Physicians: Internal Medicine when practicing primary care, Osteopathic Medicine, Family Medicine, Pediatric and Adolescent Medicine, Geriatric Medicine when practicing primary care • NPs and PAs: when practicing primary care
<u>Excluded Providers</u> (among others)	<ul style="list-style-type: none"> • OB/GYNs and midwives • Behavioral health • Emergency room physicians • Naturopathic health care providers

The advisory bodies recommended that OHS separately calculate spending associated with primary care services provided by obstetric/gynecology (OB/GYN) providers and midwives for monitoring purposes.

7. Which services are considered “primary care services”?

For purposes of measuring performance against the primary care spending target, the following services are considered “Primary Care Services.”

	Primary Care Services
<u>Included Services</u>	<ul style="list-style-type: none"> • Office or home visits • General medical exams • Routine adult medical and child health exams • Preventive medicine evaluation or counseling • Telehealth visits • Administration and interpretation of health risk assessments • Behavioral health risk assessments, screening and counseling, <i>if performed by a PCP</i> • Immunizations • Hospice care
<u>Excluded Services</u>	<ul style="list-style-type: none"> • Routine primary care and non-specialty gynecology services delivered by OB/GYNs and midwifery • Minor outpatient procedures • Inpatient care • ED care • Nursing facility care • Practice-administered pharmacy

8. Who is determining how to increase the percentage of healthcare spending devoted to primary care?

The process for increasing primary care's share of the state's healthcare spending to 10 percent by 2025 is being determined by the State with the support of several key advisory bodies. They are:

- [Technical Team](#). The Technical Team is the primary body providing OHS with recommendations, while considering input and feedback from multiple stakeholder groups. Technical Team members are a diverse group of experts.
- [Stakeholder Advisory Board](#). The Stakeholder Advisory Board provides input to the Technical Team on the healthcare cost growth benchmark and primary care targets. The Stakeholder Advisory Board consists of patients, healthcare advocates, and leaders from the provider, payer, employer, foundation, and state perspectives.
- [Primary Care and Community Health Reforms Work Group](#). This Work Group will recommend to the Technical Team annual primary care spending targets for 2022–2024. The Work Group will recommend these targets after baseline spending data has been collected from payers and the Work Group has considered recommendations that may impact primary care spending. This Work Group brings together consumers, providers, public and private payers, advocates, and other experts from across the continuum of healthcare.

9. When will the State's performance relative to the primary care spending target be reported?

OHS will annually report performance relative to the primary care spending target at the state level. OHS' advisory bodies also recommended that OHS report performance against the primary care spending targets for all five years at the state, health insurance market (e.g., Medicaid and commercial), insurer, and provider entity level (for provider entities of a pre-defined size). OHS will report this information on its [website](#).

OHS will conduct a briefing of primary care professional societies annually on Connecticut's performance relative to the primary care spending target.

For comments or questions, please contact OHS' Director of Healthcare Innovation, Kelly Sinko at Kelly.Sinko@ct.gov.

For more information on OHS' Healthcare Benchmark Initiative, please visit

<https://portal.ct.gov/OHS/Services/Cost-Growth-Quality-Benchmarks-Primary-Care-Target>.

For OHS's report, "Healthcare Cost Growth Benchmark and Primary Care Target Parameters Adopted by the Office of Health Strategy," please visit <https://portal.ct.gov/OHS/Services/Cost-Growth-Quality-Benchmarks-Primary-Care-Target/Reports>.