Primary Care Development Corporation

Investing In Primary Care Supports the Health of Low-Income Communities

Primary care saves lives, leads to improved individual and community health, and is unequivocally central to health equity. High-quality, comprehensive primary care includes the full suite of physical and behavioral health services people need to live healthy, productive lives.[1] Yet, in New York and nationwide, it is undervalued and underfunded, leaving many without access to high-quality primary care in their own communities.

When it is available, accessible, and affordable, primary care helps keep families healthy, children ready to learn, and adults able to pursue education and participate in the workforce. Primary care has not only been shown to reduce overall health care costs but is the only part of the health system that has been proven to lengthen lives and reduce inequities at the population level.[2] Deliberately investing in primary care is one of the most effective ways to achieve those goals.

The Primary Care Investment Act, A1925A (Paulin)/ S1634 (Rivera), would measure primary care spending as it is today and require both public and private insurers to increase their spending on primary care until it reaches at least 12.5% of their total health care spending. With that increased investment over time, both individuals and communities would have better access to care, face lower rates of severe chronic diseases and live healthier, more productive lives.

Underinvestment in Primary Care Hurts Low Income Communities Most

Primary care has been underfunded for years. Nationally, primary care accounts for approximately 35% of all health care visits each year – yet only about 5 to 7 percent of all health care expenditures are for primary care.[3] Notably, other, similarly situated countries spend much more, between 12 – 14%, of their health spending on primary care.[4] This lack of investment is one of the core problems affecting access to quality primary care in the United States: It impacts both patients and providers, leading to low-quality care, poor health outcomes, and an overburdened and burnt-out workforce that loses experienced professionals and has trouble attracting new ones. [5]

Experts have concluded, unequivocally, that "[w]ithout access to high-quality primary care, minor health problems can spiral into chronic disease, chronic disease management becomes difficult and uncoordinated, visits to emergency departments increase, preventive care lags, and health care spending soars to unsustainable levels." [6] Despite this, 15% of New Yorkers reported not having a usual source of care or regular health care provider in 2021.[7]

For low-income people in particular, this sequence of events is disastrous for individuals, their families, and their communities – a somewhat minor health problem, such as being prediabetic, left untreated, could lead to a series of more significant health problems that could culminate in severe diabetes, being incapacitated by amputation or blindness and unable to work to support one's family, or even dying prematurely.[8] Low-income people face these trade-offs

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regularly, as they determine whether to spend their limited resources on basic, yet inaccessible or unaffordable, preventative care or wait until an emergency occurs and there is no choice but to visit an emergency room and pay the steep price for those more complex services.[9] A recent survey published by the Commonwealth Fund found that "[m]ore than half of working-age adults who said they delayed or skipped care because of costs said a health problem got worse as a result."[10] In addition, almost 10% of New Yorkers avoided care due to cost in 2022, with over 20% of Latino residents not seeking care for financial reasons.[11]

To Improve Access To High Quality Primary Care For Communities That Need It Most, Invest More In Primary Care.

According to the Milbank Memorial Fund, improving access to primary care for these communities will require making significant changes in five areas: increasing the availability of primary care clinicians, expanding geographic accessibility of primary care services, improving appointment availability and hours, increasing affordability, and improving "acceptability" in terms of comfort and communication between patient and clinician.[12]

Each of these areas could be impacted by increasing investment in primary care, as long as those investments go both towards increasing payment for the care itself, including for those who have Medicaid coverage, and investing in expanding and diversifying the primary care workforce.

Invest in and Increase Access to Medicaid

In New York State, 28% of the population, or over 6.7 million people, is covered by Medicaid or the Children's Health Insurance Program (CHIP), 65% of which are people of color.[13] However, while many New Yorkers have Medicaid *coverage*, Medicaid enrollees often struggle to find primary care providers and specialists who take their insurance, delaying care and leading to worse health care outcomes.[14] A 2023 national survey found that while 96% of providers were accepting new privately insured patients and 88% were accepting new Medicare patients, only 74% were accepting new Medicaid patients.[15]

Providers' unwillingness to accept Medicaid stems in part from the fact that Medicaid reimburses providers at far lower rates than other insurance programs, including both private plans and Medicare plans.[16] Medicaid reimbursement rates for Medicaid Fee For Service (FFS) payments to physicians are, on average, 30% lower than Medicare rates and in some cases can be less than half of Medicare rates.[17] As a result, one in three Medicaid managed care members with a diabetes diagnosis having uncontrolled diabetes.[18] Increasing reimbursement rates for Medicaid would help expand the number of providers who accept Medicaid, which is crucial to expanding access to primary care in underserved communities.

New York took a significant step forward in the 2023 budget, raising the reimbursement rate for primary care in Medicaid to 80% of Medicare. However, that increase has not yet been fully implemented or applied to all primary care providers who accept Medicaid, and even when it is,

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other states have gone further, adopting "Medicaid parity" so that providers receive the same amount regardless of where their patients get their insurance.

Support, Expand and Diversify the Primary Care Workforce

The primary care workforce has been insufficient for many years, is already unable to meet current demand, and is not growing fast enough to meet the expanding need for primary care[19] as well as the well-documented, increased need for behavioral health care.[20] In fact, the federal Health Resources and Services Administration has found that there is already a shortage of 13,075 primary care physicians nationally and "projects a national shortage of 87,150 . . . primary care physicians by the year 2037." [21]

New York faces a nation-leading projected shortage of 500,000 health care workers of all types by 2026.[22] Moreover, primary care workforce shortages are already at crisis levels in the state, with more than 4.7 million New Yorkers live in a Health Resources Services Agency (HRSA)-designated primary care Health Professional Shortage Areas.[23]

The number of physicians who choose to go into primary care has been declining for years.[24] Lower salaries and higher burnout rates, among other reasons, cause most physicians to turn away from primary care during medical school.[25] In 2015, the average primary care doctor made $195,000, while the average orthopedic surgeon made $421,000.[26] Because of the crushing student loan debt medical students accumulate as they become physicians, the significant difference in salary discourages many from entering the primary care workforce. Partly as a result, roughly 30% of physicians practice primary care, compared to 70% of new physicians 50 years ago.[27]

Moreover, once in the primary care workforce, primary care providers face a growing mountain of administrative work and little time to devote to individual patient care.[28] This is all the more frustrating and challenging in low-income communities, where patients are likely to have multiple complex chronic conditions and fewer resources to address their needs.[29] Providers who overcome these challenges and continue to see Medicaid patients are rewarded for their efforts with low reimbursement rates and frequently, ultimately wrongful denials of payment that require multiple rounds of appeals (and administrative time) to resolve.[30]

Improved investment in primary care would ensure that primary care physicians are reimbursed at higher rates for their services that at the very least meet the importance and complicated nature of their work. In addition, investing in support for primary care practices, such as streamlined processes, better electronic health records, and transitioning to value-based payment arrangements, would reduce the crushing administrative burden faced by most providers who accept Medicaid.

In addition, more must be done to assist medical students who wish to enter primary care tackle their tremendous student debt. This includes debt forgiveness programs that some states have already instituted. Such actions could result in more physicians entering primary care, which

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would not only provide more options for patients but would lessen the pressure on the overall workforce.

Diversity in the health care workforce is also critical to improving health care accessibility and health outcomes.[31] For example, patients are often more comfortable communicating with providers when they can speak their native language, and providers are more efficiently able to discuss a diagnosis. Diversifying the provider workforce, including by recruiting people from different communities and backgrounds, gives patients a better chance of working with doctors with whom they can easily identify and connect, and may lead to significantly better health outcomes: One study of county-level health data led by the Health Resources and Services Administration concluded that, on average, every 10% increase in the representation of Black primary care physicians was associated with 30.6 days of greater life expectancy among Black people in that county.[32]

The Primary Care Investment Act

Increased investment in primary care would make care more accessible, increase the number of providers, and support those providers to provide the full range of integrated services most needed in underserved communities, while reducing overall health costs over the long term.

The Primary Care Investment Act, SB 1634/AB 1925A, would:

- Measure the current level of primary care spending in the state by private and public insurers;
- Require state agencies to make that spending information publicly available in annual reports;
- Require insurers that report less than 12.5% of their overall health spending on primary care to increase that investment 1% each year until they reach at least 12.5% and to spend those funds both supporting primary care services directly and strengthening the state's primary care infrastructure.

Ultimately, the Primary Care Investment Act would lead to increased investment in primary care (including through Medicaid), thus expanding access to high-quality care and improving health outcomes for all people across New York State.

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