

Senator Bryan Townsend
Chair, Senate Health Committee
Legislative Hall
411 Legislative Avenue
Dover, DE 1990

May 9, 2018

RE: SB199 Primary Care Services

Dear Senator Townsend and members of the Committee:

Thank you for sponsoring SB199 that has put a focus on the need to implement strategies at the State level to enhance access to primary care in Delaware. Access to primary care is becoming an acute problem for Delaware patients and as part of the medical professional healthcare delivery system we welcome being part of a conversation on strategies and specific measures to increase the availability of primary care providers and are grateful primary care is getting much needed attention by legislative leaders.

SB199 proposes setting Medicare rates as a baseline for primary care reimbursement as a short-term fix and extends this reimbursement approach to individual, group, State employee and public assistance plans.

The Delaware Academy of Physician Assistants (DAPA) is interested in exploring this and other options for expanding access to primary care and are also mindful of efforts related to reducing the overall healthcare delivery system costs while maintaining the quality of care that patients need and deserve. We would like to be part of further discussion of strategies to expand the primary care provider community in Delaware including Physician Assistants as a key component in solving the ongoing primary care provider shortage in Delaware.

DAPA is comprised of Physician Assistants who live and work in Delaware. There are approximately 723 Physician Assistants working in Delaware in a variety of settings - primary care practices, specialty practices, hospitals and also in urgent care and emergency care. At this time, only 4% of Physician Assistants work in primary care in Delaware, which is much lower than the national average of 24.6%. DAPA is hopeful more PAs will be recruited into primary care, working together with primary care physicians, to increase Delawareans access to high quality healthcare.

As Physician Assistants, we take pride in being high-quality, professional medical providers, increasing access to patient care, and continuing to practice team based medicine with physicians. We view ourselves as being an essential part of the solving the ongoing primary care provider shortage in Delaware.

Yours Sincerely,

Daniella D. Benson, PA-C President, DE Academy of Physician Assistants

Kristin Norquest, PA-C, Vice - President

Eileen DeAngelis, PA-C, Secretary

Colleen Davis, PA-C, Treasurer

Ron Dohanish, PA-C, Legislative Chair

Edward Woodford, PA-C, Legislative Chair

cc: Drew Wilson, Morris James

Mark Thompson, Medical Society of Delaware



240 N. James Street, Suite 104 | Newport, DE 19804

6/16/2018

To the Senate and House Representatives of Delaware:

The Epilepsy Foundation of Delaware is the only organization dedicated to the education and support of the estimated 10,000 Delawareans with epilepsy and their families. Our board of directors and Professional Advisory Board voted unanimously to support Senate bill 227 to help enhance access to primary care physicians in Delaware. The attached testimony of Delaware Academy of Family Physicians was carefully reviewed and we are in agreement with the information presented.

The care of people with epilepsy is complicated and needs expert neurological care, but the social, emotional, and other associated health concerns need a strong medical home to coordinate services. The physician specialists, patients and their families, as well as our direct support staff of the Epilepsy Foundation of Delaware are fully aware of the significant benefit of having a family doctor, pediatrician, or internist on the team to manage this very demanding condition.

The significant underfunding of primary care reimbursement (less than Medicaid levels) is driving primary care doctors from our state. This damages the health of our clients and leads to more expensive consultant care or excessive expensive emergency room visits.

We therefore fully support the legislation to provide more equitable funding of primary care physicians and maintaining and improving health care system that prioritizes primary care.

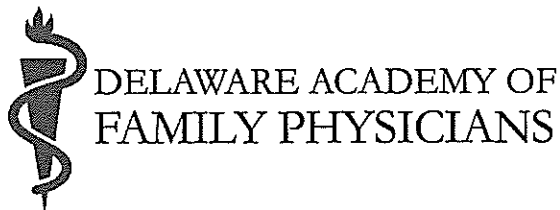
Respectfully submitted,

Val Budischak - Executive Director Epilepsy Foundation of Delaware

S. Charles Bean MD Pediatric Neurologist

Emeritus Professor, Nemours AI DuPont Hospital

Chairman of Professional Advisory Committee of EFDE



Testimony in Support of SB 199

Submitted May 9 2018 to the Senate Health, Children & Social Services Committee

The Delaware Academy of Family Physicians applauds Senators Townsend, Hansen Henry and McDowell along with Representatives Bentz, Baumbach and Brady on the introduction of SB 199 which proposes to ensure that the percentage of medical expenses allocated to primary care services is at least 12percent by 2025. The Academy is pleased that Delaware legislative leaders recognize the value that a strong primary care infrastructure brings to the healthcare system. As you may be aware, this commitment to primary care has paid dividends in Rhode Island, and we expect similar results in Oregon after the passage of legislation last year. Further, this commitment is being proposed in current legislation in both Colorado and California, and we expect that similar legislation will be considered in a number of other states in the coming months.

As you know, primary care has a **public purpose**. Primary care is the essential foundation of a successful, sustainable health care system. Research continues to show that primary care is critical to the health of individuals and improves health outcomes. Primary care helps prevent illness and death and is associated with a more equitable distribution of health in populationsⁱ. A study found that patients who identified primary care physicians as their usual sources of care had lower five-year mortality rates than patients identifying a specialist physician as their usual source of careⁱⁱ. Internationally, a study reportedthat the populations of countries with higher ratings of “primary care orientation” experience better health outcomes and incur lower health care costs than the populations of countries with lower degrees of primary care orientationⁱⁱⁱ.

Primary care treatment can not only improve the health of patients but it is also a highly effective use of health care dollars. It is estimated that almost 40 percent of emergency department visits and roughly 10 percent to 17 percent of inpatient hospitalization costs are preventable^{iv}. Primary care includes health promotion, disease prevention, health maintenance, counseling, patient education, diagnosis and treatment of acute and chronic illnesses in a variety of health care settings. Primary care can help save money on these preventable visits. Additionally, studies have found that states with more general practitioners use more effective care and have lower spend than those states with a higher number of specialists^v. Similarly, within the United States, health care markets with a larger percentage of primary care physicians have lower spending and higher quality of care^{vi}. One study found that increasing family physician comprehensiveness of care, calculated by claims measures, found a decrease in Medicare costs and hospitalizations^{vii}.

Unfortunately, a Commonwealth Fund analysis identified underinvestment in primary care as one of four fundamental reasons that the U.S. health system ranks last among high-income countries^{viii}.



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Primary care is important to the health of individuals and can help bend the cost curve. Yet, we don't know how much we are spending on primary care. The work done in Rhode Island and Oregon show us that primary care spending generally accounts for a small portion of total spending. In fact, some studies have suggested that U.S. primary care spending accounts for only 5 to 8 percent of overall health care costs^{ix}. Although primary care only accounts for a small amount, the decisions made in this setting have consequential results on the rest of a patient's medical care. It's time we know what we're investing in primary care.

Rhode Island was the first to state to mandate spending on primary care and their success began in 2009 when it established affordability standards to lower costs and improve quality in its health insurance market. The standards required health plans to increase the percentage of their medical expenses spent on primary care by five percentage points from 2010 to 2014. In 2011, total primary care spending for commercial members increased by 23 percent while total medical spending fell by 18 percent^x. In their 2012 and 2014 report, this trend continued. Annual primary care spending rose by \$18 million from 2008 to 2012 while annual total medical spending dropped \$115 million at the same time^{xi}. Because of this success, Rhode Island has updated its affordability standards and now requires insurers to spend at least 9.7 percent of annual total health expenditures on direct primary care and at least 1 percent on indirect primary care (for a total of 10.7 percent). Rhode Island defines direct primary care payment as that which directly benefits primary care practices and providers. Indirect primary care payment is defined as those payments which help primary care practices function as patient centered medical homes.

A fundamental change in the health care system to prioritize a primary care based system is essential to improvements in access, quality and cost. For these reasons we are highly supportive of the initiative proposed by SB 199, however we would like to ask the members of the committee to consider the potential for unintended consequences of the following provision:

No group or blanket policy or contract issued or delivered by an Insurer may reimburse for Primary Care at a rate less than Medicare reimbursement for comparable services.

(i) This shall include payment for care coordination services such as "chronic care management", which also should not be subject to patient deductibles and copayments.

While we understand and agree with the premise and recognize that many family physicians and other primary care clinicians are paid at rates below Medicare, sometimes significantly lower, we are concerned that this language, intended to be a floor, could become a ceiling. We'd encourage the sponsors and members of the committee to consider language that not only guarantees a Medicare "floor" but also encourages payers to embrace value-based payment models that move away from the flawed fee-for-service payment model. Further, while we share the intention that patients are protected from cost-shifting measures currently becoming more prevalent in high-deductible plans, we



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believe that the bill should be specific that these payments, which are not subject to deductible or copayment, must not result in decreased reimbursement to the physician.

Once again, on behalf of the more than 300 family physicians in Delaware who make up the foundation of our state's primary care infrastructure, thank you for your commitment to primary care. We look forward to working with you to ensure that this legislation lives up to the intention of its sponsors.

ⁱ Starfield B, Shi L, Macinko J. Contribution of Primary Care to Health Systems and Health. *Milbank Quarterly*. 2005; 83(3):457-502.

ⁱⁱ Friedberg M, Hussey P, Schneider E. Primary Care: A Critical Review of the Evidence on Quality and Costs of Health Care. 2010; <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2010.0025>

ⁱⁱⁱ Friedberg M, Hussey P, Schneider E. Primary Care: A Critical Review of the Evidence on Quality and Costs of Health Care. 2010; <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2010.0025>

^{iv} Mostashari F, Sanhavi D, McClellan M. Health Reform and Physician-Led Accountable Care: The Paradox of Primary Care Physician Leadership. *JAMA*. 2014;311(18):1855-6

^v Baicker K, Candra A. Medicare Spending, the Physician Workforce, and Beneficiaries' Quality of Care. *Health Affairs (Project Hope)*. 2004 Jan-Jun; Suppl Web Exclusives:W4-184-7.

^{vi} Friedberg M, Hussey P, Schneider E. Primary Care: A Critical Review of the Evidence on Quality and Costs of Health Care. 2010; <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2010.0025>

^{vii} Bazemore A, Petterson S, Peterson LD, Phillips RL. More Comprehensive Care Among Family Physicians is Associated with Lower Costs and Fewer Hospitalizations. *The Annals of Family Medicine*. 2015; 13(3):206-13.

^{viii} Koller C, Khullar D. Primary Care Spending Rate – A Lever for Encouraging Investment in Primary Care. *The New England Journal of Medicine*. 2017; 377:1709-171

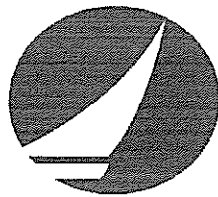
^{ix} Mostashari F, Sanhavi D, McClellan M. Health Reform and Physician-Led Accountable Care: The Paradox of Primary Care Physician Leadership. *JAMA*. 2014;311(18):1855-6

^x Health Insurance Commissioner State of Rhode Island. Primary Care Spending in Rhode Island: Health Insurer Compliance & Initial Policy Effects: Office of the Rhode Island Health Insurance Commissioner. September 2012.

^{xi} Office of the Health Insurance Commissioner State of Rhode Island. Primary Care Spending in Rhode Island: Commercial Health Insurance Compliance. January, 2014.

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May 9, 2018

Senate Health Committee
411 Legislative Ave
Dover, DE 19901

Dear Committee Members:

We cannot overstate the urgency in taking action to save primary care. Our practice is failing. The pressure to adopt alternative payment models like a concierge practice or leave practice altogether is crushing. We feel an obligation and responsibility to our patients; both of these options will be a severe detriment to them. We need Senate Bill 199 to be able to keep delivering care to Delawareans of all ages and means.

We entered primary care because we care about helping your neighbors and families stay healthy and well. You have probably heard again and again about preventative care. About how dollars invested in primary care to keep people healthy and coordinate their care saves many times those dollars in sick care for the system. It's absolutely true.

Unfortunately, it's not been where the healthcare dollars have gone.

Our practice is reimbursed for our services lower than Medicare. This is an unsustainable business model. We lack the market power to correct this on our own.

If we want a healthier Delaware and lower healthcare costs, we need to start moving our collective focus. This legislation gives us a chance to keep seeing our downstate Delaware patients. And it gives Delaware a chance to expand its absolutely vital primary care system.

Please support this legislation. Delaware's patients depend on it.

Sincerely,

Jeffrey J Heckert, MD, CPE, FAAFP
CEO, Mid-Atlantic Family Practice