

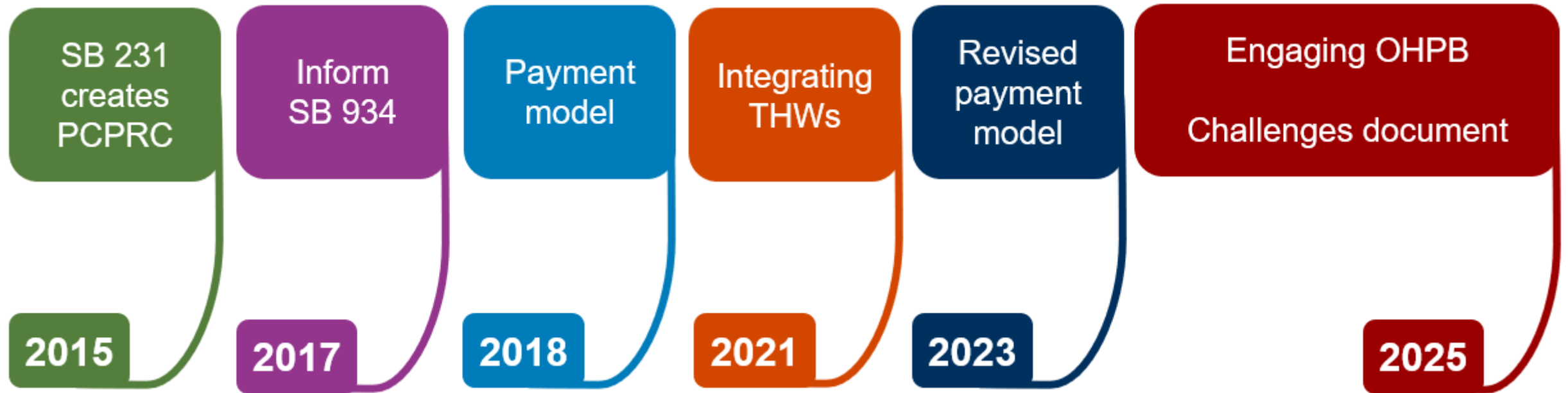


OREGON
HEALTH
AUTHORITY

Primary Care Payment Reform Collaborative Final Report

December 15, 2025

Collaborative products



2017: SB 934 informed by the Collaborative

- *Primary Care Spending in Oregon Report*
 - Requires all payers to allocate at least 12% of health care expenditures to primary care by 2023
 - Payers that do not meet the 12% target by 2023 are required to submit a plan on how they will increase the percentage of health care expenditures allocated to primary care by at least 1% each year
 - The 12% primary care spending target for the legislation was based on national research indicating that current primary care expenditure allocation was approximately 7%
- *Primary Care Payment Reform Collaborative*
 - Further defined the charge to include using VBP methods, supporting behavioral and physical health integration and aligning metrics
 - Ensure the goals of the Primary Care Transformation Initiative are met by December 2027

2018: Payment and infrastructure recommendations

Created two complementary multi-payer payment models

1. Primary care payment model
 - Advanced primary care infrastructure payments
 - Performance-based incentive payments
 - Fee-for-service (FFS) payments
 - Prospective comprehensive primary care payments
2. Primary care and behavioral health integration payment model
 - Health plan contracting structure to support integrated care delivery
 - Payment to support integrated care delivery
 - Sustainable payment approach including PMPM and payment for all codes

Created a plan for a statewide infrastructure to provide technical assistance and monitoring of implementation

2021: Integrating and Paying for Traditional Health Workers (THWs) in Primary Care

Recommendation: The PCPRC recommends improving health equity by incentivizing the integration of THWs into primary care through targeted and sustainable payment strategies, including VBP models. The document includes:

- Principles for developing and implementing payment strategies for THWs
 - Be sustainable
 - Support THWs practicing at the top of their certification
 - Community and equity driven
 - Not solely contingent on short-term outcomes
- List of payment mechanisms, and strengths and limitations
- List of evidence of THWs impact on improved quality and decreased cost by provider type (doulas, personal health navigators, peers, community health workers)

2023: Primary Care Value-based Payment Model

All-payer primary care value-based payment model, which includes the following model components:

- ***Prospective capitated payments*** for a defined set of primary care services that are widely performed by primary care practices, represent a preponderance of primary care spending, and are prone to overuse when paid fee-for-service.
- ***Fee-for-service payments for all other covered services.***
- ***Infrastructure payments that include:*** 1) a base payment tied to PCPCH tier, and 2) additional payments for specific high-value services.
- ***Performance-based incentive payments*** based on an aligned quality measures set.

2025: Engaging the Oregon Health Policy Board

May OHPB meeting focused on primary care with participation by Collaborative members. PCPRC feedback informed the following:

- June OHPB meeting follow-up discussion of primary care
- October OHPB retreat decision of primary care as one of two priority areas
- Development of new OHPB Primary Care Strategy Committee

2025: Primary Care Challenges in Oregon document

Primary Care Challenges in Oregon

Oregon Primary Care Payment Reform Collaborative

Primary care is in crisis and patients struggle to get timely appointments. (Cont.)

Providers feel burdened with administrative demand.

Prior authorizations, documentation and other administrative requirements ¹³ result in more clinician and staff time, which is costly and can lead to burnout.

While value-based payment models can support holistic patient care and provide flexible funds for clinics, **varying performance and quality metrics and sometimes conflicting incentives across payers and lines of business are challenging.** State-mandated reporting adds another layer of burden. Clinics have to manage multiple payment model details and report quality metrics to each payers' provider portal. ¹⁴

Oregon primary care clinicians spend **14% more time on administrative tasks** than specialists. Financial stewardship and quality assurance are vital to ensuring patients get the right care at the right time, place, and cost. ⁹

Some requirements, like prior authorization and performance reporting, are necessary; however, to protect provider well-being and patient access to care, stakeholders must invest in non-duplicative processes that are aligned with national best practices for interoperability and efficiency.

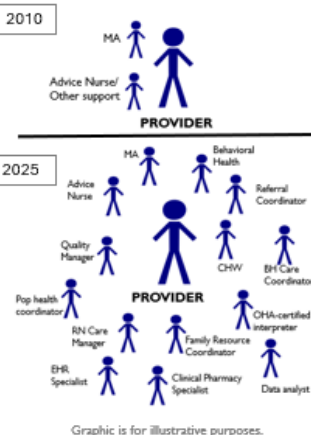
Payment is imbalanced.

The health care system underinvests in primary care relative to the value that comprehensive primary care provides. Disparities in payment by insurer lines of business (Medicaid vs. Commercial) and care settings (hospital affiliated vs. independent) create payment imbalances across the health care system. While demand for a broad array of services within the primary care setting has increased, payment models are not aligned across the system to support this model of care. ¹⁵

Primary care is cost effective. When a primary care appointment is **not** available

Emergency room costs **480%** more ¹⁶

Sample Primary Care Preventive Visit



Primary Care Challenges in Oregon

Oregon Primary Care Payment Reform Collaborative

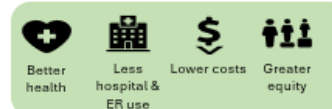
Primary care is essential to achieve better health outcomes.

Primary care is the **foundation of our health care system** providing continuous, coordinated, proactive, and comprehensive care focused on prevention and chronic condition management.

Primary care is one of the few care settings where providing more services, such as:

- Health promotion
- Blood pressure screenings
- Diabetic screenings
- Immunizations

is linked to



Research shows that Oregon's comprehensive advanced primary care medical home model, Patient-Centered Primary Care Home (PCPCH), lowered costs and reduced unneeded care. For each patient who received care at a PCPCH **total health care expenditures were reduced by \$304.** ²

\$1 spent in a PCPCH leads to **\$12** ² savings in other services, including emergency department and inpatient care

Primary care is in crisis and patients struggle to get timely appointments.

There are not enough primary care providers.

The primary care clinician workforce does not meet current patient need and will not meet the needs of an aging population. One study projects a **national shortage of 87,150 primary care clinicians by 2037**, which will be particularly acute in nonmetro areas. ³

The current and anticipated shortage of primary care clinicians overburdens existing providers. To provide the best care for their patients **they would have to work 27.1 hours/day.** ⁴

This is unsustainable. The result? Patients get fewer and shorter appointments; health outcomes are worse; and health care providers burn out, sometimes leaving primary care.

It's not only providers. **Demand exceeds supply for almost all jobs in outpatient clinics.** Recruiting medical assistants and billers are reported as top challenges by clinic leaders. ⁵

Fewer medical students are going into primary care. Expanding primary care clinician service requirements and other pressures cause prospective students to choose more lucrative specialties that are perceived as more prestigious. ^{6,7} In addition, the average amount of medical student loan is over \$200K and growing. ⁸



Nurse practitioners (NP) and physician associates (PA) are increasingly entering primary care; however, **the numbers are not enough to close the current and anticipated shortage.** Many also choose more lucrative specialties. The average NP student loan is over \$150K ¹⁰ and PA is over \$110K, ¹¹ and both are growing.

Endorsed by
all members

Leading and building relationships

- National leader – one of the first states to convene a collaborative focused on primary care payment reform
 - Many states have convened similar efforts following Oregon's lead – Colorado, Delaware, Maryland, Massachusetts, Nebraska, North Carolina, Pennsylvania, Vermont, Virginia, Washington
- Unique space for payers, providers, patients, and purchasers to discuss primary care payment and learn from one another
- Supported relationship building across the health system

Opportunities to spread the PCPRC's work

- Use the *Primary Care Challenges in Oregon* document to educate policymakers, partners, leadership, and others about the primary care challenges
- Share lessons learned, guidance and priorities with the new Primary Care Strategy Committee

Thank you

You can get this document in other languages, large print, braille or a format you prefer free of charge. Contact Summer Boslaugh at Summer.H.Boslaugh@oha.Oregon.gov or 503-753-9688 (voice/text). We accept all relay calls.

Health Policy and Analytics Division

Delivery System Innovations

Transformation Center

Transformation.Center@odhsoha.oregon.gov

<https://www.oregon.gov/oha/HPA/dsi-tc/Pages/index.aspx>

