

## **Reform Workforce and Payment Policies to Recognize and Support the Value of Primary and Patient-Centered Care**

Reform of physician payments: The current physician payment system in the US provides incentives for increasing the volume of physician services, but few financial incentives for cost-effective or efficient care. It also rewards physicians for the use of technological procedures, as opposed to time-intensive services. Physician payment methods in the US also provide little incentive for physicians to assume responsibility for being prudent managers of health care resources.

ACP recommends that existing volume-based physician payment policies in the United State be redesigned to:

- Provide financial incentives for physicians to achieve evidence-based performance standards.
- Create care coordination payments and other incentives for physicians to work with health care teams to coordinate and manage care of their patients (including payment for ongoing and comprehensive chronic care management and preventive services).
- Maintain a fee-for-service component for separately identifiable visits and procedures.
- Financially support the patient-centered medical home, a practice system that the evidence suggests has the potential to improve health outcomes, achieve more efficient use of resources, and reduce health care disparities.

Achieving a well-functioning health care system that encourages quality improvement will require incentives to encourage change. Performance measurement, the objective assessment of how well physicians adhere to evidence-based standards to achieve desired outcomes, is increasingly being applied in the health care sector to improve the quality, safety, and accountability of medical care. Pay-for-performance (P4P) programs utilize performance measures to enhance the quality of health care by rewarding physicians for adhering to evidence-based standards of care. ACP policy and analysis concerning performance measurement and pay-for-performance is presented in greater detail in [Linking Physician Payments to Quality Care](#).

The patient-centered medical home (PCMH) is a medical practice in which each patient has a personal relationship with a physician trained to provide first contact, continuous and comprehensive care. The personal physician leads a team of health care professionals at the practice level who collectively take responsibility for treating and managing care of the whole person. Physicians in a PCMH use evidence-based medicine, clinical decision support, and health information systems to guide decision-making and assure that patients get indicated care. Enhanced access to care is provided through such systems as open scheduling, expanded hours, and secure email. PCMHs are accountable for the quality of care provided by making a voluntary commitment to reporting on evidence-based measures of care and by going through a voluntary recognition process, by an appropriate non-governmental entity, to demonstrate that the practice has the capabilities to provide patient centered services.

Changes in payment policies will be needed to support practices that choose to acquire the capabilities to be qualified as PCMHs. ACP proposes that payments to PCMHs include a combination of monthly care coordination payments, fee-for-service payments for face-to-face encounters, and performance based payments, resulting in overall higher payments to primary and principal care physicians in a PCMH, commensurate with the value of the services being provided to patients. Key attributes of a PCMH have been defined in [joint principles](#) developed by ACP, the American Academy of Family Physicians, American Academy of Pediatrics, and American Osteopathic Association.

Redesign federal workforce policies to support primary care: The United States has a lower proportion of primary care physicians relative to other specialists than many other industrialized nations that score better on measures of cost and quality. ACP is particularly concerned about the looming crisis in the supply of primary care physicians in the US. Within the US, states with higher ratios of primary care physicians to population have better health outcomes, including mortality from cancer, heart disease or stroke. States with higher proportions of specialist physicians have higher per capita Medicare spending. Conversely, more primary care physicians are associated with a significant increase in quality of health services, as well as a reduction in costs. The preventive care that primary care physicians provide can help to reduce hospitalization rates and expenditures for conditions amenable to ambulatory care are higher in areas with fewer primary care physicians and limited access to primary care. The supply of primary care physicians is also associated with an increase in life span.

ACP recommends that the United States develop a national workforce policy that:

- Includes sufficient support to educate and train a supply of health professionals that meets the nation’s health care needs
- Focuses on supporting an adequate supply of primary and principal care physicians trained to manage care for the whole patient
- Averts the impending catastrophic shortage of primary care physicians
- Sets specific targets for producing generalists and specialists and enacting policy to achieve these goals.

From ACP’s Position Paper, [Achieving a High Performance Health Care System with Universal Access](#).

**ACP Policy vs. President-elect Obama’s Proposal**

ACP Pledge 2	President-elect Barack Obama
Provide every person with access to a primary care physician. Create workforce and payment policies to increase the numbers of primary care physicians,	Support for implementing care coordination programs and encouraging team care in an effort to improve integrated and coordinated care for those with

<p>recognize the value of primary care, and support care organized through a patient-centered medical home.</p>	<p>chronic conditions.</p> <p>Support providers who implement medical homes or other models to improve care management.</p> <p>Reward providers for their performance through the National Health Insurance Exchange and other public programs.</p> <p>Seek increased funding to improve the primary care provider workforce, including loan repayment support, training grants and improved reimbursements.</p> <p>For more information visit the Obama <a href="#">website</a>.</p>
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