



Washington State's Primary Care Expenditure Report Provides Baseline for Future Analyses



Mandy Stahre, PhD, MPH, *Senior Research Analyst, WA Office of Financial Management*
Karl Finison, MA, *Director, Analytic Development, Onpoint Health Data*

Objective & Background

- In 2019, the Washington State Legislature directed the Office of Financial Management (OFM) to conduct a study to determine annual primary care medical expenditures as a percentage of total medical expenditures
- OFM convened a group of stakeholders representing areas of primary care and the state's Health Care Authority to advise on the parameters for estimating primary care expenditures for the state
- The stakeholder group, OFM, and Onpoint reviewed definitions, data sources, and methods from other published studies and spoke with researchers and states that had conducted similar analyses

Methods for WA Primary Care Expenditures

- No standard definition of primary care providers or primary care services
 - Claims data contain no data field or coded value within a field to identify primary care as a setting of care on a claim
 - No standard method to identify primary care claims
- Stakeholder group reviewed provider taxonomy codes and selected both a narrow definition (e.g., pediatric, internal/family medicine, general practice) and a broad definition (e.g., obstetrics)
- Stakeholder group reviewed CPT/HCPCS coding and selected both a narrow definition (e.g., office and preventive visits) and a broad definition of procedure codes (e.g., select obstetrical services)
- Expenditures were based on allowed amounts, which included plan and member out-of-pocket payments

Methods for WA Primary Care Expenditures (cont.)

- WA APCD data for 2018 dates of service were used
 - 1.1 million commercial, 1.2 million Medicaid managed care, more than 300,000 public employees, and 300,000 Medicare Advantage members
 - Medicare fee-for-service data was not available for 2018 at the time of the study
 - The total amount of 2018 healthcare spending captured in the WA-APCD for this report was nearly \$19 billion, 21% of which was for pharmacy claims
- Pharmacy expenditures were included in the measure denominator
- Methods and results are described in detail the final OFM report:
<https://www.ofm.wa.gov/sites/default/files/public/publications/PrimaryCareExpendituresReport.pdf>

Primary Care Expenditure Study Results

Figure 1. Summary of Medical Expenditures in Washington State, 2018

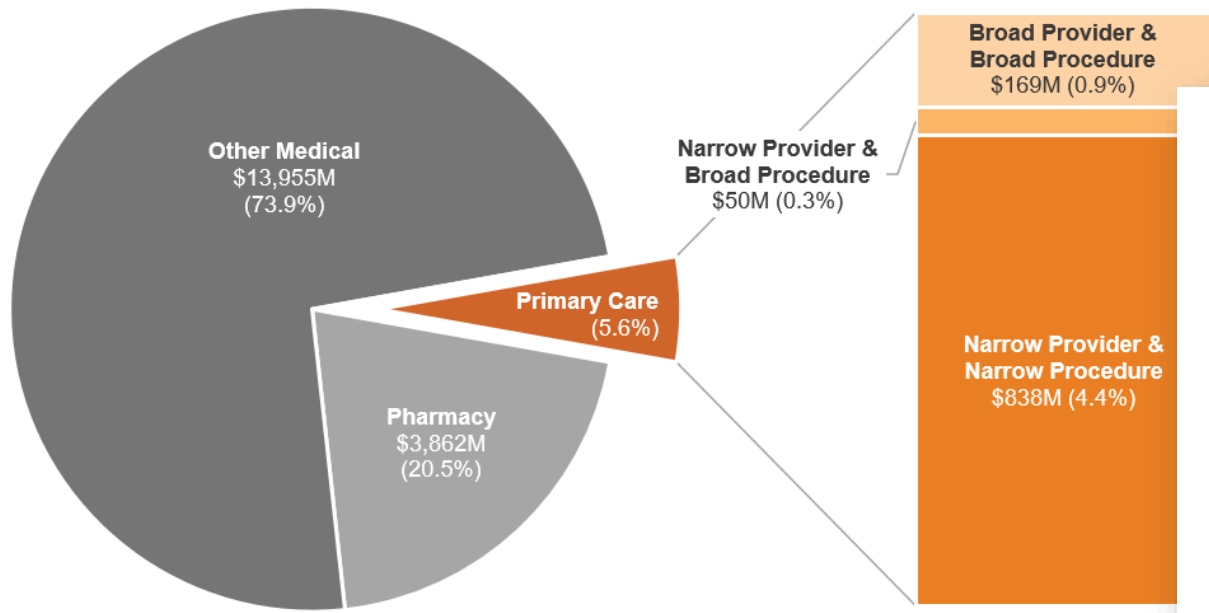
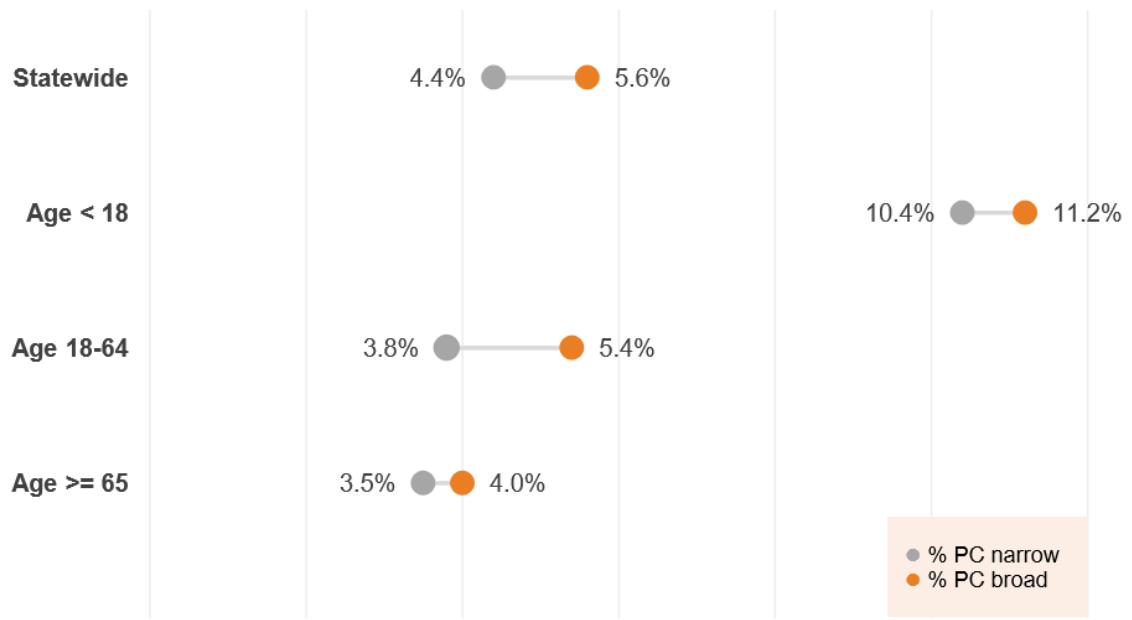


Figure 2. Primary Care as Percentage of Total Expenditures by Age



Limitations & Comparability

- Wide variation exists in methodology and results of studies on the percentage of total healthcare expenditures attributed to primary care
- This study included...
 - Pharmacy expenditures, reducing the percentage due to primary care (some studies also have included pharmacy while others have not)
 - A defined set of services that were deemed primary care (other studies have included all services performed by primary care providers)
 - FFS equivalency amounts for capitated services found on claims but neither non-claims capitated payments or other supportive payments to primary care

New Studies of Primary Care Investment

- Maine and Vermont published studies in January 2020
- Onpoint and Integrated Health Care Association (IHA) are working on a study requested by Covered California
- For the New England States Consortium Systems Organization (NESCSO), Onpoint is working with six New England states on a study of primary care expenditures for which each state is applying a standard methodology to its APCD data
- RAND Corporation is working on developing methods to collect non-claims-based primary care expenditures and investments



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75 Washington Avenue
Suite 1E
Portland, ME 04101

207 623-2555

www.OnpointHealthData.org