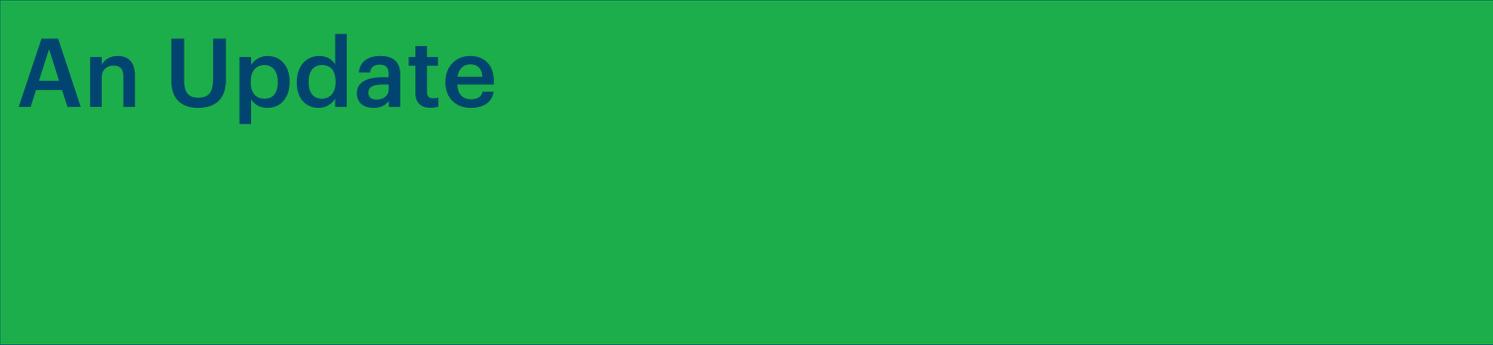


ADVANCING PRIMARY CARE DELIVERY

An Update



UNITEDHEALTH GROUP®

The Importance of Primary Care

Primary care is the foundation of the U.S. health care system. It encompasses individuals' first contact with providers for any and all health symptoms or concerns, as well as for a broad range of ongoing care. Primary care includes the treatment of common conditions, illnesses, and accidents. Preventive services, including health screenings, comprehensive physical exams, and vaccinations, are part of primary care – as is the treatment and management of individuals with chronic disease.

Primary care providers serve patients with a wide range of health needs. The quality of the services they deliver impacts health outcomes and expenditures system-wide. Effective primary care initiates care coordination and prioritizes care management; ensures that interventions continue across delivery settings; improves quality, outcomes, and patient experiences; and contains costs by reducing downstream utilization of more expensive services delivered by specialists or in hospitals.¹

In 2014, UnitedHealth Group's Center for Health Reform & Modernization published a Report entitled, *Advancing Primary Care Delivery: Practical, Proven, and Scalable Approaches*. The report concluded that:

- ▶ In health care markets with a greater supply of primary care physicians, there are lower rates of avoidable hospital admissions and emergency department visits;
- ▶ Primary care physicians are concentrated in areas with higher median household incomes and lower rates of uninsured residents; by contrast, there is a higher concentration of non-physician primary care providers, including nurse practitioners, in areas with lower incomes and higher rates of uninsured residents;
- ▶ The key building blocks for bolstering primary care capacity include leveraging a diverse clinician workforce, assembling multi-disciplinary care teams, and better utilizing health information technology; and
- ▶ Advanced service delivery and payment models, including medical home programs and accountable care partnerships, can improve quality, advance population health, and reduce the cost of care.

This Brief updates several components of the 2014 Report with a targeted analysis of:

- ▶ Gains in primary care access and utilization;
- ▶ Substantial and persistent gaps in primary care access;
- ▶ Increasing demand for primary care;
- ▶ The primary care capacity challenge;
- ▶ Opportunities to leverage nurse practitioners; and
- ▶ Opportunities to leverage urgent care centers and retail health clinics.

Gains in Primary Care Access and Utilization

Alongside an increase in health coverage of 20 million people since 2010,² there have been significant, incremental increases in reported access to, and utilization of, primary care among adults 18 to 64.³

- ▶ The share of individuals who “needed medical care, but did not get it because [they] couldn’t afford it” declined from 8.4 percent in 2013 to a ten-year low of 6.2 percent in 2015.
- ▶ The share of individuals who delayed seeking medical care “because of worry about the cost” declined from 10.7 percent in 2013 to a ten-year low of 8.5 percent in 2015.
- ▶ The share of individuals without a “place that [they] usually go to when [they] are sick or need advice about [their] health” declined from 18.1 percent in 2013 to a ten-year low of 16.4 percent in 2015. Among those with a usual place of care:
 - The share receiving preventive care increased from 46.4 percent in 2013 to a ten-year high of 53.0 percent in 2015.
- ▶ While the share of individuals who visited a hospital emergency department remained flat, there were changes in the reasons for those visits.
 - The share visiting an emergency department because it is where they “get most of [their] care” declined from 16.4 percent in 2013 to a five-year low of 13.6 percent in 2015.
 - The share visiting an emergency department because it is their “closest provider” declined from 38.8 percent in 2013 to a five-year low of 34.8 percent in 2015.

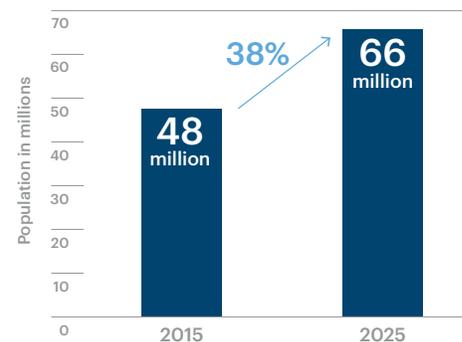
Substantial and Persistent Gaps in Primary Care Access

Despite incremental short-term gains, access to primary care remains a challenge both for the uninsured and for many individuals with health coverage.

- ▶ Today, nearly one in five U.S. residents (61.9 million individuals) lives in an area with a shortage of primary care providers.⁴
 - Rural residents are over twice as likely to live in a primary care shortage area as urban and suburban residents (39 percent vs. 16 percent).
 - However, the number of urban and suburban residents in a primary care shortage area is more than double that of rural residents (43.7 million vs. 18.2 million).

An aging population will continue to increase demand for primary care

Growth in U.S. Population Age 65 and Older



Increasing Demand for Primary Care

As the U.S. health care system increasingly serves a larger, older, and sicker population, demand for primary care will continue to increase over the next decade and beyond.

- ▶ The U.S. population will grow by 7 percent from 324 to 347 million between 2016 and 2025.⁵
- ▶ By 2025, the number of seniors will grow by 38 percent from 48 to 66 million, accounting for 19 percent of the population.⁶
- ▶ Approximately 141 million people were living with one or more chronic conditions in 2010, and this number is projected to increase to 171 million by 2030.⁷

The Primary Care Capacity Challenge

By 2025, the estimated shortage of primary care physicians will grow to be between 15,000 and 36,000.⁸ Insufficient capacity over the long run reflects not only the growing, aging, and declining health of the population, but also meaningful forces impacting the supply of primary care physicians.⁹

- ▶ In the next decade, over one-third of active physicians will be 65 or older.
- ▶ 39 percent of physicians plan to accelerate their retirement due to changes in the health care system.
- ▶ Physicians under 35 work approximately 13 percent fewer hours than their older counterparts.

Thirty-four percent of the 847,000 active physicians in the United States practice primary care.¹⁰ The ratio of primary care physicians to specialists will likely decline in the near term: the nation's graduate medical programs produced approximately 4,000 primary care physicians and 24,000 specialists in 2016.¹¹ Primary care physicians earn approximately half the compensation of orthopedists, cardiologists, and radiologists.¹² Lower payment rates and incomes in primary care practice may help steer some medical graduates, including those with substantial student debt, toward higher-paying specialties.¹³

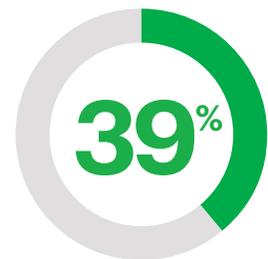
Increasing the primary care physician workforce will likely require comprehensive changes to provider payment and graduate medical education. In the near term, progress can be achieved by focusing on approaches that can reduce the projected shortfall in primary care physician capacity while delivering access to high-quality primary care services. Solutions include:

- ▶ Increased use of nurse practitioners, other advance-practice nurses, and physician assistants – which can decrease demand for primary care physicians by an estimated 28,100 by 2025¹⁴ and
- ▶ Increased use of urgent care centers and retail health clinics that leverage non-physician providers – which can decrease demand for primary care physicians by an estimated 13,600 by 2025.¹⁵



1 in 3

active physicians will be 65 or older within the next decade



Share of physicians who plan to accelerate their retirement

Opportunities to Leverage Nurse Practitioners

Nurse practitioners (NPs) deliver high-quality primary care at scale, including in underserved communities.

- ▶ Of the 222,000 NPs in the U.S., approximately 83 percent practice primary care.¹⁶
- ▶ The quality of primary care services delivered by NPs is comparable to that delivered by physicians.¹⁷
- ▶ NPs are more likely than physicians to practice in underserved communities, including rural areas, and to accept new patients.¹⁸

The current primary care workforce includes approximately 185,000 NPs and 290,000 physicians,¹⁹ but the supply of NPs practicing primary care is increasing faster than the supply of primary care physicians.

- ▶ On average, NPs complete their education and training in 6 years, compared to 11 or 12 years for physicians.²⁰
- ▶ The number of NPs practicing primary care increased 6 percent per year between 2011 and 2016, while the number of primary care physicians increased 1 percent per year between 2010 and 2014.²¹
- ▶ Each year approximately 16,000 NPs graduate and begin practicing primary care, compared to 4,000 primary care physicians.²² At this rate, the primary care workforce would include more NPs than physicians by 2025.

Annual Primary Care Graduates

16,000

Nurse Practitioners

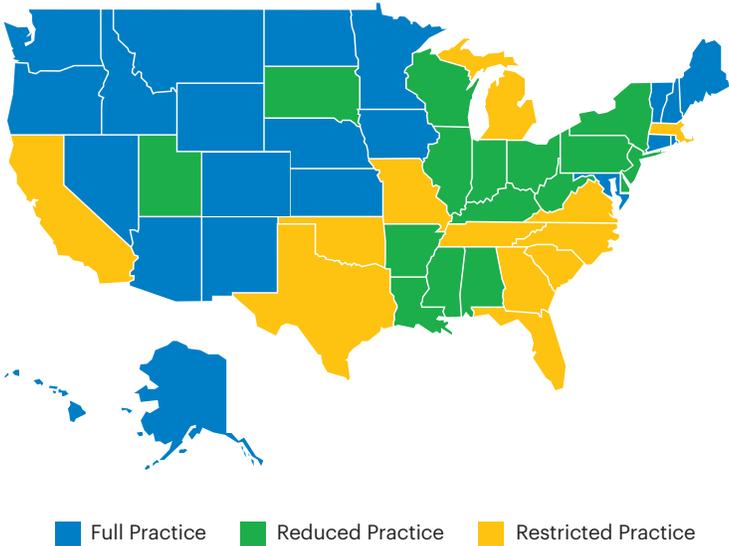


4,000

Physicians



Nurse Practitioner Scope of Practice Laws, by State



State laws and regulations governing scope of practice determine whether NPs can practice primary care independently.²³

- ▶ 21 states give NPs full practice authority, allowing them to evaluate, diagnose, and treat patients and prescribe medication independently.
- ▶ 17 states give NPs reduced practice authority, limiting one or more elements of the scope or setting of practice – such as allowing NPs to prescribe only limited quantities or types of medication, or requiring a physician to be present for a share of NPs’ office hours.
- ▶ 12 states give NPs restricted practice authority, requiring NPs to practice under the supervision of a physician.

Nurse practitioners also practice as part of multi-disciplinary care teams. Integrating NPs and other clinicians into primary care practices allows physicians to focus on the most complex patients while non-physician providers practice at the top of their training and certification. This team-based approach can increase capacity, improve care coordination, increase clinician job satisfaction, and help deliver high-quality primary care at a lower cost.²⁴

Opportunities to Leverage Urgent Care Centers and Retail Health Clinics

Urgent care centers and retail health clinics are core components of recent efforts to expand delivery system capacity. There is a substantial unmet need for reliable, high-quality care provided in convenient locations with extended hours, walk-in options, and low wait times. Urgent care centers and retail health clinics offer additional options for patients with low- and medium-acuity conditions to access high-quality and cost-effective primary care.

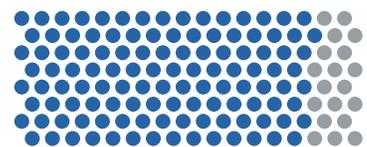
- ▶ 1,800 retail clinics, which treat simple conditions, account for 10.5 million patient visits annually.²⁵
- ▶ 7,100 urgent care centers, which treat a broader range of conditions, including low- and medium-severity illnesses and injuries requiring immediate care, account for 132 million patient visits each year.²⁶

Urgent care centers and retail health clinics offer the opportunity to appropriately divert demand from high-cost emergency departments to more affordable and consumer-friendly settings that are more appropriate for primary care delivery.

- ▶ Of the 136 million hospital emergency department visits that occur annually in the U.S., as many as 117 million (86 percent) are non-emergent²⁷ and could be treated elsewhere – including in urgent care centers, which have greater capacity than either retail clinics or physician offices to treat many emergency department patients.
- ▶ 60 percent of hospital emergency department visits occur outside of standard physician office hours.²⁸
- ▶ For the same common conditions, episodes of care initiated at hospital emergency departments cost three times more than those initiated at urgent care centers and five times more than those initiated at retail health clinics.²⁹

Most emergency departments are located in hospitals; however, freestanding emergency departments have proliferated in recent years. There were 400 freestanding emergency departments in the U.S. in 2015, an 80 percent increase from 222 in 2008.³⁰ Freestanding emergency departments offer consumers walk-in treatment for a similar range of conditions as urgent care centers; however, they are high-cost providers that charge hospital rates, often surprising patients who think they are visiting an urgent care center.

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117 of 136 million
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Freestanding emergency departments have the same potential as hospital emergency departments to encourage increased use of emergency services for non-emergent needs.³¹ Yet they often do not provide the same scope of services as hospital emergency departments for critical conditions such as trauma, stroke, and heart attacks; and most do not receive ambulances or have an operating room on site.³² Patients who seek care at a freestanding emergency department but require admission to a hospital must be transported there.

Urgent care centers and retail health clinics can meet consumers' needs for accessible care for non-emergent illnesses and injuries, while providing a quality of patient care that is comparable to a physician office visit.³³

- ▶ Aggregate quality scores were comparable across urgent care centers (62.6 percent), retail clinics (63.6 percent), and physician offices (61.0 percent).
- ▶ Patients' receipt of preventive care was consistent across urgent care centers (13.7 percent), retail clinics (14.5 percent), and physician offices (14.2 percent).
- ▶ Prescription drug costs per patient, an indication of the quality of treatment across sites, were similar in urgent care centers (\$22), retail clinics (\$21), and physician offices (\$21).

A complete listing of citations may be found at www.unitedhealthgroup.com/modernization.

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