MEDPAC Medicare Payment Advisory Commission

MEETING BRIEF

April 9 - 10, 2008

Promoting the use of primary care

ISSUE: How can Medicare promote the use of primary care services?

KEY POINTS: Beneficiary access to high-quality primary care is essential for a well-functioning health care delivery system. Research suggests that reducing reliance on specialty care may improve the efficiency of health care delivery, without compromising quality. That is, areas with more specialist-oriented patterns are associated with higher spending, but not improved access to care, higher quality, better outcomes, or greater patient satisfaction (Fisher et al. 2003a, 2003b; Grumbach 2002). Additional research finds that areas with more primary care physicians per capita have better health outcomes and higher scores on performance measures (Starfield 2005, Baicker and Chandra 2004).

Despite these findings, primary care services—which rely heavily on cognitive activities such as evaluation and management—are being undervalued over time, relative to procedurally-based services (MedPAC 2006). Consequently, physicians may view primary care services as less profitable and hence careers in primary care less desirable. Accordingly, primary care services are at risk for being underprovided to the Medicare population. Furthermore, we currently see a steady decline in the share of U.S. medical school graduates entering primary care residency programs and internal medicine residents are increasingly choosing to subpecialize rather than practice as generalists (Bodenheimer 2006).

Because surveys show that beneficiaries strongly value having a usual source of care, signals that primary care is undervalued raises some concerns about future access to primary care. This paper explores two policy initiatives for promoting the use of primary care in Medicare.

ACTION: The Commission should review and discuss draft recommendations.

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