



# California Advanced Primary Care Initiative

Large payers of health care in California have voluntarily committed to work together through 2025 to strengthen advanced primary care throughout the state.

## Why do we need this?

Primary care is the foundation of a high functioning health care system; however, many practices are unable to achieve their full potential due to chronic underinvestment and inflexible payment models that don't support proactive, outcomes-driven care.

## How will primary care be strengthened?

- Greater investment in primary care, which provides better quality and outcomes, and lower overall health care costs
- Wide-scale adoption of value-based payment models that are flexible, prospective, enable team-based care and pay incentives on a small evidence-based set of measures
- Reduction of administrative burden for clinicians and teams
- Integration with other systems of care such as behavioral health
- Multi-payer alignment to initiate and sustain this crucial system shift in a coordinated way

## What will payers do?

	Goals	Impact to Practices
<b>Transparency</b>	Measure and Report: <ul style="list-style-type: none"> <li>• Primary care investment</li> <li>• Growth of value-based payment models</li> <li>• Performance on the Advanced Primary Care Measure Set</li> </ul>	<ul style="list-style-type: none"> <li>• Visibility of performance variation and progress</li> <li>• Accountability and data-driven goal setting for improvement</li> <li>• Common standards and definitions to align the system and create clear expectations for practices</li> </ul>
<b>Primary Care Payment</b>	<ul style="list-style-type: none"> <li>• Adopt a common value-based payment model to support advanced primary care</li> <li>• Ensure consistent patient access to primary care physician/team</li> </ul>	<ul style="list-style-type: none"> <li>• Common payment model across a practice's patient panel, covered by many payers, enables sustainable transition to value-based business and clinical models</li> <li>• Continuous patient relationship with primary care physician and team to holistically manage care and enable payment model</li> </ul>
<b>Investment</b>	<ul style="list-style-type: none"> <li>• Increase overall investment in primary care by setting a common investment goal</li> </ul>	<ul style="list-style-type: none"> <li>• Higher investment in primary care to generate better outcomes without increasing overall cost</li> </ul>
<b>Practice Transformation</b>	<ul style="list-style-type: none"> <li>• Support integration of behavioral health services</li> <li>• Expand collection/use of race, ethnicity and language data for disparity improvement</li> <li>• Offer/sponsor technical assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Expanded access to behavioral health</li> <li>• Visibility of disparities, enabling data-informed improvement toward health equity</li> <li>• Faster, more effective transition for practices to proactive, outcomes-driven care</li> </ul>

Want to get involved? Contact [lpetersen@pbgh.org](mailto:lpetersen@pbgh.org)

Learn more: [www.pbgh.org/initiative/ca-advanced-primary-care-initiative](http://www.pbgh.org/initiative/ca-advanced-primary-care-initiative)



## Payment Model Demonstration Project

The California Quality Collaborative, Integrated Healthcare Association and the payers engaged in the California Advanced Primary Care Initiative have built a common value-based payment model and plan to test it at practices starting October 1, 2024. The payment model includes two versions, hybrid and fee-for-service, as described below.

● Direct Services Payment

+ ● Population Health Payment

+ ● Performance-Based Payment

● Advanced Primary Care Practice

Payment Model Element	Hybrid	FFS Plus	Details
<b>Capitation</b>	x		<ul style="list-style-type: none"> <li>Two levels exist (basic, intermediate)</li> <li>Includes clinical and social risk adjustment</li> </ul>
<b>Fee-For-Service</b>	x	x	<ul style="list-style-type: none"> <li>For key preventative services, specific types of visits, certain drugs, common procedures and surgeries, radiology, pathology, etc.</li> </ul>
<b>Population Health Payment</b>	x	x	<ul style="list-style-type: none"> <li>Paid prospectively each month to improve process, support transformation and better manage the patient panel</li> <li>Includes clinical and social risk adjustment</li> </ul>
<b>Performance-Based Payment</b>	x	x	<p>Incentive payments for performance on individual measures in the Advanced Primary Care Measure Set. Two ways to earn:</p> <ul style="list-style-type: none"> <li>Payment for meaningful improvement (10% relative) if original score is between the national 25th to 66th percentile benchmark, OR</li> <li>Payment for attainment of scores above the 66th percentile (higher)</li> <li>Payment is higher for improvement or attainment on equity sensitive measures.</li> </ul>

For more details on common value-based payment model and the demonstration project, visit our [Common Value-Based Payment Model Guide for Primary Care Physicians & Payers](#).

The goal is to move practices toward a hybrid model of payment to align with the National Academies report on primary care which sets hybrid models as the gold standard but recognizes that not all practices and payers are ready to participate in capitation in the short term.

Want to get involved? Contact [lpetersen@pbgh.org](mailto:lpetersen@pbgh.org)

Learn more: [www.pbgh.org/initiative/ca-advanced-primary-care-initiative](http://www.pbgh.org/initiative/ca-advanced-primary-care-initiative)