

Medicaid Transformation From the Independent Practice Perspective:

Opportunities and Obstacles

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The importance of independent primary care practices as North Carolina approaches Medicaid transformation cannot be overstated. Forty-four percent of the state's pediatricians remain in independent practice and more than a quarter of family physicians maintain an equity stake in their practice, with a higher percentage working in or owning an independent practice (internal data, survey of members of the NC Academy of Family Physicians and the NC Pediatric Society, April 2019).

As a result, it is crucial to consider how independent practices will be impacted by Medicaid transformation and the overall movement to value-based health care. To be successful, Medicaid must work for all primary care practices regardless of their size or ownership structure.

Today, almost all the state's pediatricians and 90% of the state's family physicians care for Medicaid patients, one of the highest participation rates in the country (internal data, survey of members of the NC Academy of Family Physicians and the NC Pediatric Society, April 2019). Nationally, only about 68% of family physicians accept new Medicaid patients [1] and participation rates are even lower in some states that adopted the managed care delivery models earlier.

What Can We Learn From States That Have Already Moved to Managed Care?

In 2016, Sarah H. Gordon and colleagues conducted a qualitative review of primary care physicians treating Medicaid managed care patients in a Northeastern state. The authors noted a few key issues, including inadequate investment in primary care and the need to address the social determinants of health of Medicaid patients [2]. Specifically, the authors said that underinvestment "may detract from providers' professional satisfaction and hinder care coordination for Medicaid patients with complex healthcare needs" and that "policy solutions that improve the experience of primary care providers serving Medicaid patients are urgently needed to ensure sustainability of

the workforce and improve care delivery" [2].

Fortunately, the North Carolina Department of Health and Human Services (NC DHHS) is already addressing these two issues. First, NC DHHS has filed a State Plan Amendment to address increased primary care investment [3]. The higher payment rates for primary care (at or near Medicare rates) will become the floor for the prepaid health plans as Medicaid transformation is implemented. Second, the department is investing in social determinants of health through both Healthy Opportunity Pilots [4] and a comprehensive platform for physicians to refer to agencies addressing housing, transportation, food scarcity, and interpersonal violence, complete with a feedback loop. This new initiative is called NCCARE360.

Yet both concerns and opportunities still exist, particularly for independent primary care physicians. Key areas of concern noted by physician-owned primary care practices include:

Increased Administrative Burdens Due to the Move to Multiple Prepaid Health Plans

These concerns included differing prior authorization requirements, different quality metrics, different value-based payment mechanisms, and multiple contracts. One practice noted that, "insurance companies already have us pulling our hair out over prior approvals and denials of necessary services in the private pay sector" (internal data, qualitative feedback from North Carolina primary care practices, NC Academy of Family Physicians and NC Pediatric Society, April and May 2019). Another noted that dealing with multiple "entities to make sure I am paid and paid correctly seems daunting... and may push some practices out of Medicaid altogether" (internal data, qualitative feedback from North Carolina primary care practices, NC Academy of Family Physicians and NC Pediatric Society, April and May 2019). While NC DHHS has taken steps to minimize these burdens, the movement to multiple plans inherently increases complexity.

Timely Payment

While North Carolina's Medicaid agency has generally been praised for processing claims quickly, fresh memories of delayed payments during NCTracks, NC DHHS's multi-payer Medicaid management implementation system, remain. During the problems with NCTracks, some practices, particularly smaller independent practices, delayed paying staff or even considered bankruptcy due to delayed claims.

Beneficiary Assignment

Independent physicians also worry about beneficiary assignment, with a desire to maintain those important physician-patient relationships that lower cost and improve quality. And finally, independent practices prefer local care management, with a desire to maintain close ties between care management and both the practice and the patients (internal data, qualitative feedback from North Carolina primary care practices, NC Academy of Family Physicians and NC Pediatric Society, April and May 2019).

Conversely, independent primary care physicians identified several key areas of opportunity during Medicaid transformation.

New payment models. First, practice owners stated that new payment models have the potential to lower cost for the system and create a stream of revenue for care provided outside of an office visit, noting that smaller practices can be in a better position to quickly change workflows and adjust to different payment schemes (internal data, qualitative feedback from North Carolina primary care practices, NC Academy of Family Physicians and NC Pediatric Society, April and May 2019). As a result, there is the potential for independent practices to thrive under value-based payments.

Networks. Others noted that banding together in clinically integrated networks is already helping improve quality and at the same time offers the potential for enhanced contracts with several of the prepaid health plans (internal data, qualitative feedback from North Carolina primary care practices, NC Academy of Family Physicians and NC Pediatric Society, April and May 2019).

Transparency. Independent physicians also mentioned the possibility of greater transparency, the ability to better measure what really is appropriate for patient care, as well as the ability to incorporate behavioral health into primary care (internal data, qualitative feedback from North

Carolina primary care practices, NC Academy of Family Physicians and NC Pediatric Society, April and May 2019).

Expanding access. Finally, others mentioned the promise of expanding access through enhanced health care coverage either directly through Medicaid expansion or through other North Carolina-specific coverage options (internal data, qualitative feedback from North Carolina primary care practices, NC Academy of Family Physicians and NC Pediatric Society, April and May 2019).

In conclusion, independent primary care practices remain a key component of our state's Medicaid system and face both opportunities and obstacles during Medicaid transformation. As a result, it is crucial that the state make special efforts to meet their needs, guiding them through the initial confusion and administrative burdens so that the promise of transformation can ultimately impact practices and their patients in a positive manner. NCMJ

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