



Purchaser Business  
Group on Health



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# PBGH Primary Care Payment Reform Summit

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## *Pathway to Quality: The Common Purchasing Agreement*

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# A Common Purchasing Agreement



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## Employer Health Plan Common Purchasing Agreement for Advanced Primary Care

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### Purchasing Advanced Primary Care

PBGH members collectively spend over \$100B annually buying health care for their employees and families but too often do not achieve good clinical outcomes or experience. Members of PBGH are assuming an active leadership role in health care purchasing by clearly articulating the quality, value and experience they expect for their significant health care spend. They are setting purchasing standards on behalf of their employees and creating mechanisms for health plan accountability. The aim of these standards is to help achieve better care for all employees and families.

As purchasers, we will not partner with innovators who do not meet our standards and needs. We will work on our behalf to improve purchasing that reflects our

Page 2

What we want to buy	How we enable it	How we know we have it
<b>Integrated Whole-Person Care/Population Health Management</b> <ul style="list-style-type: none"><li>• Employee/patient engagement and activation</li><li>• Integration of physical, behavioral, and social needs</li><li>• Robust access spanning after hours, weekends and including virtual care options</li><li>• Informed referrals and prescribing</li><li>• Coordinated care</li><li>• Risk stratification and care management</li><li>• Health and wellbeing promotion</li><li>• Data and information sharing</li></ul>	<b>Payment Method</b> <ul style="list-style-type: none"><li>• Comprehensive primary care payment +</li><li>• Prospective and flexible</li><li>• Care transformation or care management fee (limited duration) plus</li><li>• Performance incentives</li></ul>	<b>Accountability</b> <ul style="list-style-type: none"><li>• Common performance measure set</li><li>• Clinical outcomes</li><li>• Member experience of care</li><li>• Total cost of care</li><li>• Access to care</li><li>• Health equity</li></ul>

The PBGH Primary Care Payment Reform Workgroup has developed this Common Purchasing Agreement — guided by evidence-based reform principles — for jumbo employers and health care purchasers to clearly articulate their priorities to partners. It is intended to be used to remove barriers to better care and achieve

**Key Components of Advanced Primary Care (APC) Purchasing**  
The key components that are integral to purchasing APC: characteristics of person-centered APC, changes to provider payments that serve as a mechanism to shift the delivery system to APC and a set of priority accountability measures that demonstrate achievement of high-quality care at lower costs. These

readiness. For example, provider groups who have experience participating in an alternative payment model for primary care that is based on a FFS chassis may be ready to move to a fully capitated prospective payment model and may not require the care management fee which is designed to help build the care delivery

*(Insert employer name)* seeks to support a higher value health care system with a strong primary care foundation. We believe that better primary care will enable higher quality, better patient experience and outcomes, better lower costs for our employees, better know the current fee for service payment system creates barriers for optimal primary care and we are seeking to drive change through the design and implementation of payment models that support advanced primary care (APC). The common purchasing agreement states the shared priorities and objectives of *(Insert employer name)* and the other employers who have endorsed the standards for better care at lower cost. We recognize that achieving better care at lower costs will also require accountability of the delivery system surrounding primary care.

To achieve our aims, the common purchasing agreement includes a set of clearly defined health plan requirements and accountability expectations focused on APC with a three-year implementation timeline. The requirements focused changes to enable whole person and population health and are built upon a set of principles developed by employers in collaboration with the Purchaser Business Group on Health (PBGH), California Quality Collaborative-led practice transformation initiative, National Academy of Medicine's Implementing High-Quality Primary Care report and other national and regional primary care transformation efforts.

We recognize that these standards will require significant changes in contracting and operations. We also appreciate that there are varying degrees of readiness among providers and across markets. In light of this variation, we expect implementation sequencing of these requirements will depend on the level of market readiness. We believe these changes are necessary and overdue and look forward to working together with our partners to implement them in our term. We also believe that working together we can drive multipayer alignment on key elements of the payment model including performance measures, attribution, data sharing (timing and formats), and benchmarking, enabling greater primary care participation through such administrative simplification.

Purchasers	Health Plans	Providers
<ul style="list-style-type: none"><li>• Set quality and value standards</li><li>• Select plan and provider partners</li><li>• Ensure patient/provider incentives align</li><li>• Ensure partner accountability</li></ul>	<ul style="list-style-type: none"><li>• Efficiently administer value-based payments</li><li>• Identify and transparently report on quality and value for care (intermediate)</li></ul>	<ul style="list-style-type: none"><li>• Provide high-quality effective evidence-based clinical care</li></ul>

# A Common Purchasing Agreement Explained

The Common Purchasing Agreement is a set of expectations from a group of employers and public purchasers for what they want to purchase.

It translates purchasing principles into implementable standards.

Its intent is to clarify the future vision for Advanced Primary Care.

# Example 1:

## Health Plan Requirements

### Principle 1:

#### Near-term transition to flexible and prospective population-based payment to enable practices to transition to advanced primary care

Within three years, contractors are required to replace fee-for-service payment with alternative payment methods defined in the agreement. Payers also must report primary care spend as a percentage of total overall spend. Payments should help providers build care teams that include mental health providers, nonclinical and community-based team members, as appropriate; enable population health management; and help develop the digital infrastructure to deliver optimal high-value, person-centered care.

#### Proposed Contract Language

The Contractor shall adopt and expand the number and percent of primary care clinicians paid through Categories 3 and 4 of the Health Care Payment (HCP) Learning and Action Network (LAN) Alternative Payment Model (APM) Framework.<sup>3</sup>

- A. The Contractor shall use payment methods that are alternatives to fee-for-service and could include any or all of the following types of payment structures dependent on the provider readiness to function as an Advanced Primary Care (APC) practice:
- a. Comprehensive primary care payment
  - b. Prospective and flexible payment method
  - c. Care transformation or care management fee (limited duration)
  - d. Performance incentives tied to the APC Core Measure Set developed and released by PBGH's California Quality Collaborative (CQC) and included as Exhibit 1, on page 5. The care transformation or care management fee can also be tied to performance on the APC Core Measure Set.

- B. The Contractor shall report primary care spend as a percentage of total overall spend (including plan and patient portions) using the standardized methodology described in the PBGH Purchaser Health Value Index.
- C. The Contractor shall report (See attached Principle 1 template.):
- a. The number and percent of its contracted primary care clinicians paid using the HCP LAN APM categories
  - b. The number and percent of its enrollees who are cared for by primary care clinicians paid using each HCP LAN APM category

<sup>3</sup> <http://hcp-lan.org/workproducts/apm-framework-onepager.pdf>

# Example 2:

## Health Plan Requirements

### Principle 2:

#### Removing payment barriers to the integration of mental health care for mild-to-moderate conditions

Within three years, contractors are required to support primary care physicians in the adoption of evidence-based approaches to behavioral health integration and pay for behavioral health screening and treatment within the primary care setting. Payments to clinicians will be structured to facilitate integration of physical and behavioral health services, with an initial focus on depression, anxiety and substance use disorders.

#### Proposed Contract Language

- A. The Contractor shall ensure that the payment methodology assures behavioral health screening and treatment within primary care. The Contractor shall support primary care physicians in the adoption of evidence-based approaches to behavioral health integration, such as use of Collaborative Care Model.<sup>4</sup>
- B. The Contractor shall share data (when permissible) with primary care physicians to manage behavioral health needs and shall report on behavioral health outcome measures listed in Exhibit 1, on page 5.
- C. The Contractor shall assess and report through the PBGH Health Value Index the use (volume of unique providers) and where applicable<sup>5</sup>, payment (total aggregate payment per employer, including plan and patient portions) for Collaborative Care Management (CoCM) codes (CPT codes 99492-99494) per employer. The Contractor shall report use (volume of unique providers) and payment (aggregate payment per employer of depression screening [96127, CPT II codes: G8510/G8431 or relevant HCPCS codes]). In addition, the Contractor shall report utilization rates of mental health and substance use services through the PBGH Health Value Index.
- D. The Contractor shall report the screening for depression and follow-up plan measure included in the APC Core Measure Set (See Exhibit 1.).



# Example 3:

## Health Plan Requirements

### Principle 7:

#### Payment models that promote and enable equitable access and outcomes

Contractors shall ensure measurable reduction in health disparities.

Advanced primary care (APC) providers should ensure that patients receive preventive care and screenings of demonstrated value, help them effectively manage chronic illness and address behavioral health needs all in a primary care setting, with the least possible need for unplanned emergency care.

We want primary care practices to help people achieve positive health outcomes, and where possible, we ask for performance reporting on key outcome indicators such as maintaining healthy blood pressure and recovering from depression. APC providers are also the “quarterback” of all the care patients might need and should take responsibility for the total cost of care incurred along the patient’s journey through the health care system. Our APC Core Measure Set provides a succinct snapshot of provider and plan performance on these dimensions and will evolve to increasingly focus on patients’ health outcomes. The APC Core Measure Set, shown in Exhibit 1, is on page 5.

#### Proposed Contract Language

The Contractor shall support primary care practices in advancing health equity. Specifically, the Contractor will work with and support primary care practices to:

- A. Collect race/ethnicity/gender/language data on its members and report identified health disparities to purchasers and practices. The Contractor may directly collect these data from members to support primary care practices.
- B. Stratify the APC Core Measure Set in Exhibit 1, on page 5, by at a minimum race/ethnicity/language and gender and report stratified performance measure data to the employer and PBGH.
- C. As requested by the purchaser, the Contractor will ensure that all enrollees have a relationship with a care provider or have technology-based alternatives to access primary care. Provisionally assigned members should be notified by the Contractor and given the opportunity to select a primary care physician. When assigning a primary care clinician, the Contractor will use commercially reasonable efforts to assign a primary care clinician consistent with an enrollee’s stated gender, language, ethnic and cultural preferences, geographic accessibility, existing family member assignment and any prior primary care clinician.
- D. To address health disparities, performance incentive payments will need to be (over) weighted based on: (a) improvements to health disparities and (b) achievement of overall quality targets related to addressing health disparities (e.g., maternal mortality or morbidity, 30-day mortality related to cardiac events).
- E. The Contractor shall include in the provider manuals requirements to ensure that providers address implicit bias issues to ensure achievement of equitable outcomes.
- F. The Contractor shall implement accountability requirements in contracts with primary care practices that at a minimum include the following:
  - a. The APC Core Measure Set shown in Exhibit 1
  - b. Access to Care Requirements
    - 1. Right care at right time — 24/7, including evening or weekend appointments
    - 2. Same-day appointments
    - 3. Virtual (video/audio visits, emails) visits and access to regular primary care physician or primary care team
- G. The Contractor shall report performance rates on the measures in Exhibit 1 through the PBGH Health Value Index.
- 4. In-home or on-site options
  - 5. Asynchronous consultation with a care team
  - 6. Minimize fragmentation of visits and data by coordinating as needed with stand-alone telehealth vendors that are different than an enrollee’s usual source of care

# Built on Evidence with Broad Input

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## Start Where You Are. Now.

We recognize that flexibility based on market readiness will be needed.

Our goal is a 3-year implementation timeframe.

Our members expect annual progress against milestones.

PBGH will track the progress through the Health Value Index.

We envision ongoing partnership to implement these standards.

We will address and surmount barriers with you.

We will be learning together.



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