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As primary care faces continued challenges, states and industry experts explore ways to turn the tide

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<https://www.chartis.com/insights/primary-care-faces-continued-challenges-states-and-industry-experts-explore-ways-turn-tide>

The Buzz This Week

Primary care in the US faces an uncertain future as decades of underinvestment and increasing pressures and responsibilities have created an unsustainable model for the workforce. Currently facing shortages, maldistribution of primary care providers, low compensation compared to other health occupations, increasing burnout and job dissatisfaction, and minimal diversity, the need is growing for action to sustain this crucial area of healthcare.

The pandemic exacerbated primary care issues, like the decline in the number of primary care physicians (PCPs). But the deterioration began long before. The Washington Post reported that “From 2005 to 2015, the prevalence of [PCPs] in the US fell by 11%, from 46.6 to 41.4 doctors per 100,000 people.” According to a recent report from the Primary Care Collaborative, more primary care doctors are retiring or leaving the field than new medical school graduates are pursuing family medicine.

General pediatrics is also challenged. In a previous Top Reads, we discussed the historically low rates of pediatric residents during Match Day 2024. Every state has seen this reduction in PCPs. Meanwhile, the PCP shortage is expected to reach between 48,000 and 68,000 in the next 10 to 12 years, with rural areas experiencing the greatest shortages.

Physician compensation is considered a leading factor for the reduced interest in pursuing a career in primary care. Compensation for PCPs lags significantly behind that of specialists. In a recent Commonwealth Fund survey, the US was found to have the largest wage gap between generalists and specialist physicians, compared with nine other high-income countries. The US also had the highest medical tuition fees among the countries surveyed, with many students graduating with \$200,000 in loan debt. The wage discrepancy can put PCPs at a greater disadvantage than their colleagues for loan repayment.

Additional challenges in primary care include balancing patient volumes and an ever-increasing administrative burden. PCPs face significant pressure to see an increasing number of patients—the primary revenue driver for traditional fee-for-service models—while also balancing better management of each patient’s care, especially with the increasing number of value-based contracts. These burdens often lead to burnout, which can trigger a departure from the profession, further straining a struggling workforce.

Traditional primary care practices now also face growing competition from primary care alternatives backed by large brands such as Amazon, Walgreens, and CVS Health, as well as innovative models such as those offered by OneMedical (now owned by Amazon) and Oak Street Health. However, even these models are experiencing challenges. As we discussed in [last week’s edition of Top Reads](#), Walmart recently announced it would close all of its healthcare clinics, and [Walgreens recently posted a \\$6 billion loss](#) in its VillageMD clinics.

Why It Matters

Evidence consistently demonstrates that primary care is critical to improve population health and health equity; increase the efficiency of healthcare systems; identify and potentially address social needs; and be a platform to integrate much needed behavioral health services. It is one of few areas of medicine in which providing more services, like childhood vaccines and regular blood pressure screenings, is linked to better population health and more equitable outcomes. A [2019 study](#) based on US population data found a 51.5-day increase in life expectancy for every additional 10 PCPs per 100,000 people.

Insufficient access to primary care creates a negative snowball effect for the rest of the healthcare system, with minor complaints becoming chronic illnesses that require complex, long-term treatment. Without primary care, people often wind up in the emergency room with their basic medical problems, [costing up to 12 times more](#) than in a primary care office. These costs accumulate year over year, totaling billions of dollars for the healthcare system.

Historically, [the US has spent only 5 to 7 cents](#) of every healthcare dollar on primary care, compared to the 13 cents per dollar average in other high-income countries. This lack of investment has led to a gradual degradation of primary care, but in recent years, [states have attempted to address this discrepancy](#). For example, Oregon saw a significant investment jump from 2015 to 2016 and aimed for carriers/coordinated care organizations to allocate at least 12% to primary care by 2023. In Delaware, starting in 2022, carriers were required to increase the primary care spend to 7%, then 1.5% every year until reaching 11.5%.

[Some successes](#) have resulted from strategies like measuring and reporting on primary care spending, creating primary care task forces, setting spending targets, and mandating increases in spending on primary care. This increased spending requires buy-in from multiple stakeholders, including patients, providers, and payers, to find common ground across their varied priorities.

At the payer level, recommendations include shifting to population-based capitated payments, which would provide upfront, predictable payments that would give PCPs greater flexibility for when and how they deliver care and allow them to create a more comprehensive service experience. However, value-based

models—including capitation—often involve an enormous administrative burden, which can lead to burnout—a dynamic which still needs to be addressed. Greater financial investment would allow for greater resources to expand access through telehealth, home visits, and after-hours appointments. Increased investment could also make care more holistic by addressing behavioral health and social needs.

The Center for Medicare and Medicaid Innovation has recently demonstrated federal interest in investing in primary care through its development of three new Medicare payment models:

- [Making Care Primary](#)
- [States Advancing All-Payer Health Equity Approaches and Development \(AHEAD\)](#)
- [ACO Primary Care Flex](#)

The hope is that these models will motivate states and private payers to make similar investments.

Other approaches to bolstering primary care services include incorporating more advanced practice providers to relieve the clinical burden on PCPs and expand access. New and emerging mobile applications can also expand access, as well as provide a novel (and potentially more effective) way of managing chronic diseases. Finally, organizations are harnessing artificial intelligence to assist with daily activities, such as physician note entry into electronic health records.

Without appropriate intervention, primary care will continue to struggle and in turn, population health will struggle. Ultimately, payers, policymakers, and providers all must take steps to work toward reform and create better primary care access for all.

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Meredith Deal

Senior Research Associate