Primary care practices transitioning to enhanced models of primary care require ongoing support to sustain their transformation efforts. Small and medium-sized practices in particular can benefit from shared resources facilitating care coordination and case management, use of data and technology, and ongoing practice improvement. This State Health Policy Briefing outlines key elements of a shared infrastructure to sustain primary care transformation, identifies policy levers available to federal and state policymakers to support these elements, and highlights relevant initiatives at both levels of government. It also summarizes key areas for policy improvement identified during a meeting of federal and state officials convened by NASHP.

Many major health reform elements are particularly focused on primary care, recognizing that strengthening primary care is essential to improving the quality and efficiency of the health care system. A robust primary care system is the foundation for a health care system that delivers high-quality, affordable health care. In the continuously evolving health care environment of payment reform, expanding health information technology and shifting workforce needs, such a system needs a strong infrastructure that supports practice transformation and quality improvement.

In recent years, the federal government and states have committed to the redesign of primary care delivery and supported advanced primary care models such as medical homes that can offer more
coordinated, patient-centered care. These models build primary care capacity for assuming accountability for preventive, acute, and chronic care and sharing decision-making responsibilities with patients. Additional hallmarks of these models include a commitment by the practice to continuous quality improvement, enhanced access to services, and care that is coordinated across a range of health care settings.

However, many practices are not large enough to sustain such initiatives single-handedly. Given the large number of small and medium-sized primary care practices in the United States, many struggle with redesign, ongoing quality improvement, offering the broad array of services thought to be critical to serve as medical homes, and the need to continuously adapt to a changing landscape. Expanded demands for smaller or resource-limited practices to engage in care coordination, information sharing, and ongoing quality improvement will require external supports and infrastructure shared across multiple primary care practices if changes are to be sustainable.

The long-term success of these initiatives for many practices will hinge upon the availability of federal and state support for shared resources and infrastructure—similar to supports created through agricultural extension—to help facilitate and sustain the transformation of primary care practices toward new care delivery models. Federal and state policy is critical to creating this shared infrastructure both through regulatory levers and through payment, since existing fee-for-service reimbursement models provide little support for shared resources and infrastructure. Both levels of government will need to: build on existing infrastructure; build opportunities for ongoing financial support for primary care transformation into federal and state programs; align on data strategies for supporting practice improvement; engage local partners; and align on a long-term view and use evaluations to guide decision-making.

**Key Elements of a Shared Infrastructure for Transformation**

A shared infrastructure for sustaining primary care transformation will include a range of supports and resources needed by primary care providers to transform care delivery.

**Shared resources can support care coordination and case management.** Better management of care for patients with complex and chronic conditions and improved coordination between primary care providers, specialists and community resources are key goals of a transformed primary care system. However, practices may lack the resources to fulfill these functions alone. Resources that can be shared across many practices include:

- Community networks that provide care management and support functions for multiple primary care practices in a geographic area.
- Community health teams that bring together a multi-disciplinary group of professionals to coordinate care across providers and systems, including public health, behavioral health, and social workers.
- Care managers who focus on meeting the needs of patients with chronic conditions, including by developing and monitoring care plans, sharing information across care settings, and connecting patients with resources in the community.

**Shared data and technology resources at the state and practice level are needed for primary care transformation.** The expanded roles that primary care practices play in a transformed system, including managing population health, coordinating care, and identifying and targeting areas for improvement, require additional capacity for using data. A range of data collection, aggregation, and analysis capabilities are necessary for managing patient populations and achieving continuous quality improvement; at the same time, information sharing across care settings is necessary for coordinating care.

While practices may have their own electronic health records or electronic referral systems, having access to a shared resource that can exchange information across disparate providers and care settings and share required data with state agencies can reduce the burden on providers. Similarly, smaller practices that lack in-house data analysis capacity may rely on shared resources for this function. Small practices also often lack the capacity...
to turn their data into information for population health management. Inability to create registries and patient-panel quality measures prevents them from monitoring patients with chronic health conditions and from doing systematic quality improvement. Multiple strategies exist for developing a shared infrastructure for the collection, exchange, and analysis of information to support a transformed primary care system, including:

- Health information exchanges that have been seeded by federal investments, such as the State Health Information Exchange Cooperative Agreement.  
- External data analytics resources shared by multiple practices.  
- Local organizations (like the Regional Extension Centers described below) that support practices in adopting and using health information technology.

**Shared resources can support ongoing practice improvement.** Continuous quality improvement, a critical feature of primary care transformation, requires ongoing support. Primary care practices will need access to a sustainable infrastructure providing the coaching and technical assistance needed to continuously incorporate best practices and improve practices’ transformation efforts.

An important aspect of this process is practice facilitation, defined by the Agency for Healthcare Research and Quality (AHRQ) as a supportive service to “build the internal capacity of a practice to help it engage in improvement activities over time and support it in reaching incremental and transformative improvement goals.”  

Shared resources that can support facilitation and improvement include:

- Practice facilitators (or coaches) who help practices organize and build capacity for quality improvement activities and train practice staff in using data and working in coordinated teams.  
- Area Health Education Centers that help to educate health professionals and support performance improvement activities in primary care practices.  

These strategies are emerging in the context of increasing activity by policymakers to support development of delivery models that create a more integrated array of services, linking primary care to public health, acute care, behavioral health, and long-term services and supports. Efforts to integrate primary care services with a broader continuum of care often involve use of resources shared across practices and providers and were explored in a previous paper in this series.  

**Federal and State Policy Levers**

The federal government and state agencies have policy levers available to support the development of shared infrastructure to help primary care practices sustain transformation. These include:

- **Payment incentives**, such as the availability of per-member per-month payments through Medicare and Medicaid to support shared community networks or community health teams. For Medicaid, this will involve the federal government and states collaborating on Medicaid waiver and state plan opportunities as states develop new strategies. Additionally, both levels of government could create or leverage existing programs to help practices invest in workforce development, data infrastructure, and other shared community-based transformation supports.

- **Technical assistance** opportunities, including distribution of materials such as the practice facilitation case studies and handbooks produced by AHRQ and learning collaboratives that support peer learning among providers.

- **Direct government investments** in shared infrastructure including information-sharing and data analytics capacity.

- **Medicaid managed care oversight and program design** to develop incentives or requirements for managed care organizations to support and sustain primary care transformation.

- **Convening public and private payers for multipayer initiatives** to financially sustain shared infrastructure for practices, improve alignment of intra-governmental federal and state agencies and, working closely with primary care providers, send coherent signals to the provider community.
SELECT FEDERAL AND STATE INITIATIVES

The federal government and many states are working to build the infrastructure and the shared resources needed to help small and mid-size primary care practices with ongoing improvement and sustained transformation processes.

Examples of such federal initiatives include:

- Under AHRQ’s IMPaCT (Infrastructure for Maintaining Primary Care Transformation) initiative, four state-level initiatives are enhancing and evaluating models for using primary care practice support efforts to help practices transform. These initiatives help facilitate quality improvement and other elements of enhanced primary care in practices.

- The Health Resources and Services Administration (HRSA) is partnering with the Centers for Medicare & Medicaid Services (CMS) Innovation Center on a Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration to offer technical assistance and a monthly care management fee to help selected FQHCs invest in infrastructure for enhanced primary care for Medicare beneficiaries. Similarly, a Patient-Centered Medical/Health Home (PCMH) Initiative at HRSA is offering technical assistance to help health centers meet the challenges of transformation.

- Regional Extension Centers (RECs) are regional resource centers supported by the Office of the National Coordinator for Health Information Technology (ONC). The RECs assist providers in adopting and implementing the health information technology needed to support new care and delivery models.

- Primary and Behavioral Health Care Integration grants from the Substance Abuse and Mental Health Services Administration are helping providers build capacity for the co-location of physical and behavioral health services, emphasizing a “whole person” approach to care delivery.

- The CMS Innovation Center’s Comprehensive Primary Care Initiative (CPCI) is fostering multi-payer—including Medicare, Medicaid, and commercial health plans—support for primary care transformation in select areas around the country.

State initiatives to create shared resources and support transformation of primary care practices include:

- North Carolina’s IMPaCT program builds on existing infrastructure, including a partnership between Community Care of North Carolina (CCNC) and the North Carolina Area Health Education Centers (AHECs) that offers, among other services, practice facilitation, data analytics, quality improvement, and care management.

- Pennsylvania’s Spreading Primary Care Enhanced Delivery Infrastructure (PA SPREAD) is collaborating with the Pennsylvania Area Health Education Center to offer practice facilitation and education on the medical home model.

- New Mexico’s Health Extension Rural Offices (HEROs) are offering services including rural case management and support for Community Health Workers, rural practice support and systems development, and technical assistance programs.

- Oklahoma’s Primary Care Extension program is working to develop a county-based health improvement infrastructure for primary care practices, including the development of plans to recruit, train, and certify practice facilitators.

- Colorado’s Accountable Care Collaborative is using Regional Care Collaborative Organizations (RCCOs) to provide support, including care coordination and management, to medical homes. A Statewide Data Analytics Contractor provides data analytics and information sharing capacity for RCCOs and primary care practices.

- Vermont’s Blueprint for Health is transforming practices into medical homes supported by community health teams. Evaluation Quality Improvement Program facilitators and the statewide health information exchange, Vermont Information Technology Leaders, support the primary care transformation.
• Oregon’s Coordinated Care Organizations are being assigned Innovator Agents to provide support to practices, including data analysis, quality improvement, and adoption of care innovations.31 Together, these initiatives are building an infrastructure not only to help primary care practices transform and offer enhanced models of care but also to sustain and build upon those changes as primary care models evolve in the future.

**Project Methodology**

In February 2014, with support from The Commonwealth Fund NASHP convened and facilitated a discussion among high-level federal and state leaders. The meeting had multiple objectives: 1) state participants had the opportunity to learn about and discuss strategies and initiatives with their peers, 2) states were able to learn about federal resources and approaches to sustaining transformation, and 3) federal participants had the opportunity to learn about state approaches and identify potential federal policy changes that can support state activities or better align federal strategies with state approaches.

NASHP conducted an environmental scan and synthesized background information about current federal and state initiatives to support and sustain primary care transformation. These findings were augmented with the meeting discussion to produce this brief.

The meeting and this brief are the fourth in a series that is exploring opportunities for aligning federal and state policies to achieve shared goals related to achieving better quality, better health, and reduced costs. Previous reports in the series explored the potential for federal-state policy alignment in the integration of primary care and community resources, payment reform, and quality measurement strategies to support value-based purchasing.32 33 34

**Areas for Policy Improvement**

Despite their shared goals, the wide range of initiatives at the federal and state levels supporting practice transformation have left room for policy alignment and improvement. Participants at the February meeting convened by NASHP saw roles for both levels of government in supporting ongoing facilitation and training for practices, securing services to support practices, and facilitating pilots to test new ideas. Themes that emerged from the discussion appear below.

**The federal government and states should build on existing infrastructure where possible.**

As described above, a variety of federal and state initiatives are already helping sustain primary care transformation. These initiatives offer a natural starting point for future programs and investments. States with existing infrastructure to sustain primary care transformation—such as Vermont’s Blueprint for Health or Oklahoma and North Carolina’s IMPaCT-supported primary care extension programs—provide a foundation on which future federal and state efforts can build.

However, to avoid undermining each other’s efforts, governmental partners must develop a consistent approach to leveraging existing delivery system infrastructure. For instance, folding community health centers into other reform initiatives can be challenging if those initiatives are not aligned with HRSA’s goals because, as one participant noted, “HRSA is [the health centers’] North Star” in terms of providing policy direction. Similarly, states also have to consider policy direction provided by other federal agencies, such as the Substance Abuse and Mental Health Services Administration, which provides block grants to states. Requirements across federal agencies can be better aligned to reinforce a consistent message to primary care providers.

Existing initiatives will also need to be better aligned if they are to serve as a platform for future work to sustain transformation. Meeting participants suggested federal grant opportunities that impact primary care transformation, including the State Innovation Model (SIM) grants and Health Care Innovation Awards offered by the CMS Innovation Center to support payment and delivery system reform, should align to reinforce mutual goals. Participants noted that federal funding opportunities often come with different requirements, different measurement priorities (or different technical specifications for measures) and different timeframes. One emphasized the need for alignment of standards and
approaches across programs, noting that “when there are three different evaluators from CMS—because we’re in three different [federally funded] programs—asking for the same measures at different times, it can be difficult.”

Primary care transformation supports can also build on existing strengths at the clinical level. In considering the needs of primary care practices within reform initiatives, one meeting participant suggested that stakeholders may need to first consider some form of “clinical needs assessment.” Identifying the individual needs of clinics and the capacity on which clinics can build is critical to determining the specific kinds of additional resources they will require for transformation. Beyond considering the needs of individual practices, efforts also should include examining the needs of communities through existing efforts such as a Community Health Improvement Plan process. Planning processes and production of community health needs assessments can bring together local partners—including non-profit hospitals, health departments, and safety net providers—to determine shared resource needs and help create individualized metrics at the community or county level.

**Policymakers can build opportunities for ongoing financial support for primary care transformation into federal and state programs.**

Building supports for primary care transformation into the design of new infrastructure will allow public and private partners to sustain strategies that build on their current investments. Some states have already taken this approach; for instance, Vermont supports health information technology through a small surcharge on all paid claims and, through its Medicaid demonstration waiver, supports shared resources such as community health teams. Meeting participants suggested that federal and state policy levers such as community benefits requirements for nonprofit hospitals or health plans could be leveraged to provide some of the funding for a shared transformation infrastructure. Payments from health plans to accountable care organizations can promote population health by investing in necessary transformation activities and shared resources such as community-based networks or teams.

Financial resources from multiple payers are essential for supporting ongoing quality improvement and transformation in practices. Practices often face a misalignment between fee-for-service payment incentives and the broader need for investment in a shared practice support infrastructure. Dedicated funding from multiple payers for practice facilitation or other shared resources, independent of funding streams tied to a patient or an office visit, would help support practices in accessing needed resources. The federal government is taking a step in this direction: beginning in 2015, Medicare will allow primary care physicians to bill for “complex chronic care coordination services,” some of which will not require a face-to-face visit.

Funding requirements for new programs can also be used to facilitate the collaboration needed to sustain transformation. One participant suggested that ultimately partnerships must be rooted in financial relationships: “It has to show in their budgets—if your proposal says you’re going to work with others, then you have to share this money.” Shared investments, ranging from staff to infrastructure, will tie project partners to common goals and strategies. Requiring grantees to specify subcontracted organizations in their grants can strengthen such collaboration.

States also play a key role in getting stakeholders to reach consensus on strategies for building financial supports into new multi-payer initiatives. The SIM grants to states are designed to support multi-payer reforms. Participants felt that the grants have been particularly effective at helping a variety of stakeholders—including payers, provider associations, public health representatives, and health centers-align around a common vision and common goals. The grants are helping partners within states reach consensus on transformation and financing strategies. Meeting participants also suggested states can pursue other policy levers to support transformation, such as using insurance regulation to incent health plans to contribute funds for shared infrastructure that will then be counted as quality improvement expenditures.

**Federal and state partners can align on data strategies for supporting practice improvement.**

The federal government, as a key payer and regulator, has an opportunity to provide a framework for infrastructure—particularly data infrastructure—to support primary care transformation. Participants suggested the federal government needs to offer “external scaffolding” to support practices in a
sustainable transformation process. Such supports may include financial resources or policy direction— including through the Medicaid waiver and state plan amendment processes—that states and stakeholders can build upon, including strategies for collecting and analyzing data. For instance, as there is no “gold standard” for defining a practice or attributing patients to groups of providers, participants suggested the federal government can play an important role in standardizing approaches to attribution. The federal government can also align meaningful use of electronic health records and quality reporting requirements with health professional maintenance of certification standards to improve quality and reduce reporting burden for clinicians. The Regional Extension Centers provide an additional example of a source of federal support with their role in shared data resources, data aggregation, and as facilitators of technology implementation. Regional Extension Center infrastructure can play a key role in supporting practice transformation in the future.

Both levels of government have a role to play in improving data collection and use. The federal government has an opportunity to support the standardization of data and, by making Medicare and Centers for Disease Control and Prevention data more widely available, can also support practices in managing their populations. Public programs supported by CMS are large enough to support common data elements across settings, allowing for the application of consistent measurement and attribution methodologies. States can consider doing the same with Medicaid data as well as accessing novel sources of data on practices and providers in their states, including working with certification and licensure boards as a source of standardized data on and for practicing providers. Local partners can also help to assure data collected is accurate prior to it being shared with state or federal agencies.

**Policymakers, particularly at the state level, should engage local partners.**

Meeting participants suggested that when focusing on alignment between federal and state policy, policymakers should not lose sight of the importance of local-level efforts. All three levels of government—federal, state and local—have a role to play: for instance, teams of practice facilitators operating at the local level can be organized at the state level and supported in a financial and policy capacity by the federal government. Locally trusted infrastructure, including organizations that mediate between state officials and practices, are a natural place for shared resources to reside. Universities can also be critical partners by supporting practice facilitators and providing supports to practices like academic detailing.

Coordinating federal, state, and local partners will be critical to ensuring an aligned transformation process. Though the federal government has worked to support providers and communities directly, participants agreed that federal resources ultimately need to flow to both the state and the local level. If resources are directed only to local-level entities, a disproportionate number of high-performers who already have infrastructure in place will apply for grant opportunities. Federal funds can take the form of a combination of dollars awarded directly to practices for transformation and funds to states to provide the external supports to practices, including those in need of improvement and significant investment.

Local partnerships are particularly critical in rural areas, where smaller practices may not need their own dedicated full-time care coordinator and would benefit from access to a credible organization hosting those resources. Some states already have such entities, such as North Carolina’s nonprofit Community Care of North Carolina networks. Meeting participants observed that alignment of funding streams and practice transformation investments does happen at the local level, particularly in rural counties. This collaboration often requires the existence of an organization at the local level capable of mixing public and private funds, and that is trusted to assume responsibility for carrying out population health functions. The development of Community Health Improvement Plans in communities around the country, for example, presents an opportunity for local decision-making on the design and use of shared resources.
Policymakers should align on a long-term view and use evaluations to guide decision-making.

Sustaining support for the transformation of primary care practices is an ongoing challenge. Participants agreed that policymakers must take a long-term view when developing and planning for the sustainability of models to support practice needs. On their own, pilots or short-term projects designed to last for only a few years will not sustain a long-term system transformation. Such initiatives must instead be conceptualized as part of a more comprehensive strategy. Federal and state partners will need to align their long-term goals and expectations so that both levels of government can work toward a shared vision of primary care and system transformation.

In the same vein, participants felt the evaluations of transformation models must be designed to give policymakers the information they need to inform their decisions. Participants observed common evaluation challenges including the length of time required both to collect data and to demonstrate an impact, if any, of a particular initiative. Though policy must be informed by evaluation results, some participants said that due to the lengthy evaluation process, programs were sometimes cut or altered prior to the release of any evaluation findings. Another challenge is that evaluations are largely based on observational study methods since primary care transformation demonstrations are not designed as randomized controlled trials.

One state official expressed concern that “CMS is doing independent evaluations [of federal initiatives] but it’s not clear the results are driving their decision-making.” Primary care transformation initiatives will need to build in from the start the expectation that evaluation results will guide future policy-making, and they should include a plan and clear intention to release timely and pertinent evaluation results.

Pulling it together

The considerations described above offer possible steps for federal and state partners as they seek to align to sustain primary care transformation. Experts at the meeting suggested:

- States can build upon opportunities including those presented by the SIM initiative and CPCi to convene key stakeholders who may be able to provide resources to support primary care practices in a reformed health system.
- States can target investments and refine attribution models by considering innovative sources of information on practices and active providers, including that collected by certifying boards or licensing renewal processes.
- States can explore opportunities for supporting or investing in locally trusted infrastructure that can serve as an intermediary between primary care providers and the state government. This trusted infrastructure can help to support change, diffuse innovation, identify shared resource needs, and help to build shared resources.
- The federal government can help to standardize data elements collected from practices, attribution methodologies, and measurement strategies across communities. It can also support shared information technology resources that turn data into information.
- The federal government and states can include partnering provisions in grant opportunities to ensure practices and stakeholders are sharing resources across multiple entities. Each level of government can also pursue new payment models that support shared infrastructure in ways that fee-for-service reimbursement does not.
- The federal government can continue to offer technical assistance and venues for sharing experiences and information among states and other stakeholders, including local partners.
- Partners at all levels of government can consider collaborating on a “clinical needs assessment” process to determine what shared resources practices need to sustain transformation.

Conclusion

A redesigned primary care system requires significant ongoing resources—both financial and technical—to support continued practice improvement, increased capacity to deliver comprehensive care, and the core functions of care coordination and care management. Both federal and state policymakers are supporting
efforts to establish the infrastructure for resource sharing to support multiple primary care practices and sustain their transformation efforts. Though a number of policy efforts and initiatives to support practices exist, challenges remain in aligning federal and state efforts. Ultimately both levels of government will need to agree on coherent approaches to providing practices with the needed resources. Federal and state partners will need to consider alignment both internally and with local partners that can serve as platforms for shared resources. Partners at all levels must understand that successfully sustaining primary care transformation requires a long-term strategy and a willingness to learn from and build upon evaluation results.

ENDNOTES


3 Primary care extension models—like those supported by AHRQ’s IMPaCT initiative and envisioned by a Primary Care Extension Program authorized in the Affordable Care Act—adapt and apply to primary care transformation a model used by the Agricultural Extension Service, an educational network that supports experts (extension agents) who deliver research-based information and educational programs to agricultural producers. For more, see: http://www.nashp.org/publication/building-infrastructure-promote-primary-care-transformation-lessons-four-state-learning. See also: http://healthextensiontoolkit.org/.


11 Erin Taylor et al., “Enhancing the Primary Care Team to Provide Redesigned Care: The Roles of Practice Facilitators and Care Managers.”


24 Carrie Hanlon, Kristie Thompson, and Darren DeWalt, *North Carolina’s IMPaCT Initiative: Enhancing Primary Care Practice Support.*


Many counties perform assessments of the health needs of their residents, identify priorities for health improvement, and develop plans to achieve better health. For instance, in Wisconsin communities are required under state to develop and implement plans to address local health issues; see http://www.dhs.wisconsin.gov/chip/.