

Support SB 609 / HB 2225

Primary care is the only area of health care where an increased supply leads to better health outcomes, increased life expectancy, and greater equity, all while saving costs.

The Problem

Access to primary care is sharply declining as providers retire and medical students gravitate toward higher-paying specialties. Chronic underpayment from Medicaid has led to fewer providers willing to accept OHP members, while low reimbursement rates and administrative burdens are harming independent primary care clinics. This situation severely limits the time available for Medicaid patients seeking preventive care for common illnesses, such as the flu, or for managing chronic diseases like diabetes that can be effectively treated in a primary care setting. Continuity of care with a primary care provider has been shown to improve health outcomes and reduce reliance on costly hospital services.

57% of children in Oregon are OHP members, but the shortage of primary care, dental, optometry, and behavioral health providers restricts their access to essential services that are crucial for their long-term success. If we do not address this issue now, the gap in healthcare access and quality will only widen, leaving vulnerable populations at even greater risk.

The Solution

- Establishes a minimum reimbursement value in the Oregon Health Plan for primary care, dental, behavioral health, and optometry for preventative health care services.
- The reimbursement value is comparable to commercial payment rates to eliminate inequity in access.
- Uses existing CMS-established methodology used by all insurance companies for reimbursing providers described in Oregon Administrative Rules (OAR 410-120-1340).
- Ensures that CCOs incorporate higher value in their payment methodologies.

The Result

- **More access and equitable outcomes for members** at lower costs for the Oregon Health Plan.
- **Increased influx of professionals** in primary care, dental, optometry, and behavioral health.
- **Sound and prudent compensation** that reflects the essential role of primary care in addressing patients' needs, including across social determinants of health.



What Does the Research Say?

- \$1 increase in spending on primary care saves \$12.¹
- Closing the gap between private insurance and Medicaid would close over two-thirds of disparities in access for adults and would eliminate such disparities among children.²
- Increasing Medicaid reimbursement significantly improves access to care for children with special needs.³
- U.S. adults who regularly see a primary care physician have 33% lower health care costs and 19% lower chances of premature mortality.⁴
- Increase in primary care reimbursement rates within Medicaid had positive spillovers to behavioral health outcomes: mental illness, substance use disorders, and tobacco product use.⁵

¹Portland State University School of Public Health (2023). Patient-Centered Primary Care Home (PCPCH) Program: Evaluation 2011-2019. Retrieved from <https://www.oregon.gov/oha/HPA/dsi-pcpch/Documents/PCPCH%20Eval%202011-19%20Final%20022423.pdf>

²Alexander, D., & Schnell, M. (2019). Increased Medicaid reimbursement rates expand access to care. National Bureau of Economic Research. Retrieved from <https://www.nber.org/bh-20193/increased-medicaid-reimbursement-rates-expand-access-care>

³Chatterji, P., Decker, S., & Huh, J. (2020). Medicaid physician fees and access to care among children with special health care needs (NBER Working Paper No. 26769). National Bureau of Economic Research. Retrieved from https://www.nber.org/system/files/working_papers/w26769/w26769.pdf

⁴Purchaser Business Group on Health. (2021). Health Value Index Results 2021. Retrieved from <https://www.pbgh.org/wp-content/uploads/2021/09/PBGH-Health-Value-Index-Results-2021.pdf>

⁵Maclean, J. C., McClellan, C., Pesko, M. F., & Polsky, D. (2018). Reimbursement rates for primary care services: Evidence of spillover effects to behavioral health (NBER Working Paper No. 24805). National Bureau of Economic Research. Retrieved from <https://www.nber.org/papers/w24805>

