

Health Systems Must Embrace a Comprehensive Primary Care Strategy

By Jennifer Moody, Alan Lassiter, and David Willis, ECG Management Consultants

A wholesale reimagining of primary care has not been a priority for many health systems—until now. A growing number of market drivers are pushing ambulatory services to the forefront. Forward-thinking organizations will reconsider the need for a comprehensive primary care strategy to gain competitive advantage. As they do, there are key trends boards should be aware of when positioning their health systems for success.

1. Primary care is a critical (and undervalued) partner for health systems.

Clinical, operational, financial, and strategic outcomes hinge on a well-designed, high-performing primary care enterprise that understands the intersection of business and medicine. As such, any health system strategic plan should include meaningful primary care participation in system-level governance and decision making. Health systems have the scale, experience, and tools to elevate primary care to new levels of service for the full community. Primary care deserves the same service line discipline (including dedicated dyad leadership, equitable resource allocation, and strategic focus) given to other specialties.

2. The status quo will be unsustainable for most markets, and disruptors are poised to take more primary care market share.

The challenges with access to primary care are well known (and getting worse). A recent ECG study of ambulatory access trends across several metropolitan markets in the U.S. found that commercially insured patients wait, on average, one month for a new patient appointment in family medicine. Many markets are more significantly challenged, and the strain is noticeable. Burnout of primary care physicians and advanced practice providers (APPs) is at an all-time high. Compounding the problem, the U.S. Health Resources and Services Administration (HRSA) predicts a shortage of more than 23,000 primary care physicians by 2025.

Meanwhile, private equity and venture capital-backed entities continue to invest in primary care, offering tailored, segment-specific value propositions based on price, access, experience, and convenience. While such efforts may effectively meet the needs of certain subsets of patients, they risk further

»» KEY BOARD TAKEAWAYS

- **Investment in primary care** is a critical strategy for high-performing health systems and should be undertaken with the same discipline and resources given to other specialties.
- **Supporting the primary care workforce** to promote long-term, satisfying careers requires rethinking compensation, work expectations, and care models.
- **Disruptors will continue to chip away** at primary care market share, absent a renewed focus on consumers, health equity, and wellness.
- **Primary care plays a critical role** in driving system strategy for all patient populations under Clinical Integration 3.0 and requires proper investment in resources to inform and drive tactics to achieve success.

exacerbating the access challenges across the system as a whole.

3. We got it wrong: we can no longer separate a provider's clinical and business roles.

There is no relief in sight for traditional reimbursement models focused on relative value units (RVUs). Health systems need new alignment and compensation models that drive value creation across the care continuum. To accomplish that, primary care physicians must become legitimate business partners in the drive for system financial success. Work standards for providers will need to evolve, and compensation models should be adjusted to incentivize coverage and optimize teamwork.

4. The spotlight on health equity is only going to grow brighter.

Inequities in access and outcomes are increasingly visible to payers, regulators, and the public. Care models, including clinic locations and virtual tools, will need to be flexible enough to meet the needs of many different patient segments. Health systems must consider multiple points of entry and distinctive styles of practice to meet the needs of increasingly diverse patient populations.

5. Labor shortages across the clinical spectrum will force unprecedented creativity.

Traditional physician-centric care models will be overwhelmed by demand or become obsolete altogether. Systems must concede that there is no one right model for how to deliver care for all patient populations or levels of health. Primary care workforce supply-and-demand disparities contribute to widespread access and service issues, and the predominant physician-centric care models that originate from traditional “private practice” and outdated training models are ineffective. Tomorrow's primary

care network may include traditional practices, subscription models, concierge medicine, hybrid primary care/immediate care centers, and medical home models, all coexisting within a comprehensive service line offering.

As systems move beyond the physician model, they need to acknowledge

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that APPs are also an indispensable part of the primary care workforce and should be enabled to practice at the top of their license. Current work standards and traditional compensation models must give way to plans that reward team-based care and patient-centric work. At the same time, health systems must also invest in centralizing administrative and clinical support functions to maximize capacity and create more flexibility for both patients and providers.

6. Strategic integration will precede operational integration.

The current focus on margin improvement has led many organizations to pursue operational synergies through system integration. However, such a focus may be misplaced in primary care. Primary care needs a wholesale redesign first. Systems need to reimagine the roles of employed and affiliated physicians, along with APPs, digital tools, and virtual care models, to meet their communities'

unique needs. Innovative health systems are partnering with disruptors and aligning with independent providers to ensure a diversified pathway to long-term financial viability beyond traditional employment. Operational integration must follow from, rather than precede, such strategic decisions.

7. Provider organizations cannot abdicate their role in winning back consumer loyalty.

Consumers who are often focused on wellness increasingly perceive health systems as costly, inconvenient places to receive primary care. Organizations that develop competencies in consumer engagement and behavior change will have a sustainable competitive advantage. Patient-friendly and technology-driven disruptors recognize that consumers drive most of their own primary care decisions.

Clinical Integration 3.0

Clinical Integration 3.0 requires that primary care play an integral role in driving system strategic, operational, and financial performance. Key success factors for Clinical Integration 3.0 include advanced analytics, redesigned care delivery, and a robust IT infrastructure, all of which must be deployed across all specialties, including primary care. To manage the quality and cost of caring for diverse patient populations, systems must embrace the dual role of primary care: identifying unnecessary services for non-complex patient populations and simultaneously providing advanced outpatient management for rising-risk and high-risk populations.

Wellness-focused millennials and Generation Z are now the largest purchaser market for primary care. This consumer segment will demand solutions that deliver care in a user-friendly environment, prioritizing access, convenience, and a seamless care experience over a personal provider relationship.

Primary care will continue to elbow its way to the front of strategic agendas. As the backbone of the U.S. health delivery system, investment in a new generation of delivery options will allow health

systems to stay ahead of disruptors. Transformation in primary care will shore up the position and viability of healthcare systems.

The Governance Institute thanks Jennifer Moody, Partner, Alan Lassiter, Principal, and David Willis, Principal, ECG Management Consultants, for contributing this article. They can be reached at jmoody@ecgmc.com, aklassiter@ecgmc.com, and dhwillis@ecgmc.com.