CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICARE AND MEDICAID INNOVATION

Findings at a Glance

# Primary Care First Model

Evaluation of the first three model years (2021–2023)

## Model Overview

In 2021, the Centers for Medicare & Medicaid Services (CMS) launched the Primary Care First (PCF) Model to improve quality of care, improve patients' experience of care, and reduce hospitalizations and Medicare program expenditures.

PCF offers practices that reported having advanced primary care capabilities a simplified payment structure designed to reduce their administrative burden and reward performance. CMS adjusted each PCF practice's payments based on performance on select outcomes, including acute hospital utilization and clinical quality measures. CMS also encouraged multi-payer alignment to increase PCF's impact.

### PCF payment structure

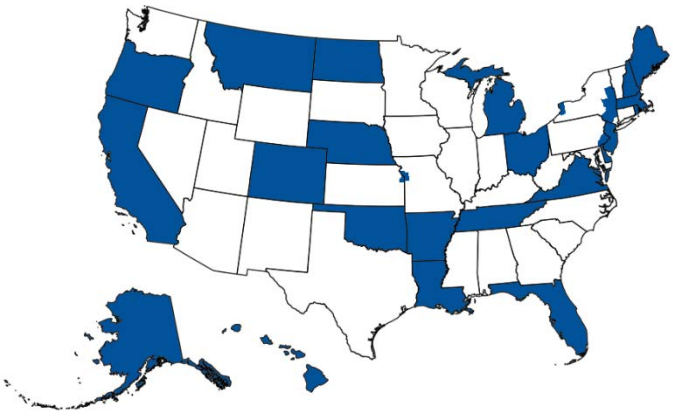
- **Flat visit fee (FVF)** for Medicare fee-for-service beneficiaries' face-to-face and telehealth primary care visits
- **Population-based payment (PBP)** to provide quarterly prospective payment per beneficiary per month, with higher amounts for practices serving a more medically complex population
- **Performance-based adjustment (PBA)**, based on performance measures, ranging from a 10 percent decrease to a 50 percent increase of total primary care payment (FVF and PBP)
- **Payment accuracy adjustment (PAA)**, reducing the PBP to account for qualifying primary care visits outside the PCF practice

## Participants and Payer Partners

### 3,074 practices initially joined PCF

- 846 practices joined in 2021 (Cohort 1).
- 2,228 practices joined in 2022 (Cohort 2).
- Practices were in 26 regions across the United States.

**PCF regions**



### There has been substantial practice attrition

- By the end of 2023, 27 percent of practices had stopped participating in the PCF Model.
- Withdrawing practices tended to be smaller, independent, rural, or in lower-income areas.
- Over time, withdrawing practices increasingly said PCF payment concerns, especially with the PAA, led them to leave.

### Payer participation has been limited

- As of 2023, six of the 23 participating payers had withdrawn from the PCF Model.
- More than half of the payer partners were already partially aligned with the PCF payment model, but none made substantial changes for PCF.

*This document summarizes the evaluation report prepared by an independent contractor. To learn more about PCF and to download the full evaluation report, visit the Primary Care First Model webpage.*

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## Findings

**PCF Model participation was one factor among many that motivated practices to pursue care delivery improvements**

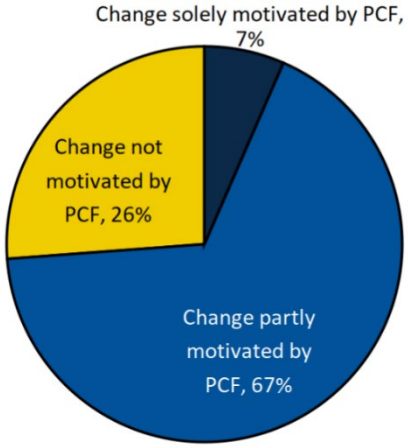
Practices modified strategies they already had in place, such as enhancing care management, or added new strategies related to comprehensiveness or access to care.

Most practices (91 percent) reported making care delivery changes to support PCF and other value-based contracting arrangements.

Most practices reported PCF payments were not the main funding source for their care delivery changes.

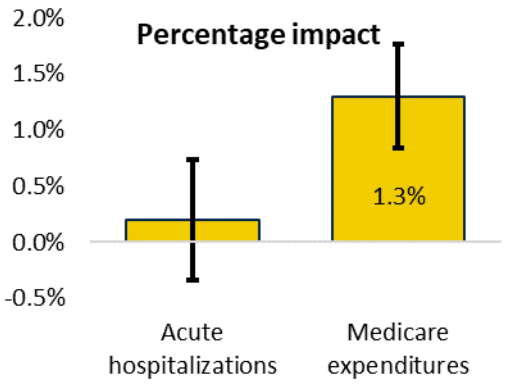
Many practices struggled to plan for changes because they found PCF payments to be unpredictable.

About two-thirds of practices said components of the payment methodology were unfair, especially the PAA and PBA.




**If the PCF Model does not motivate or finance practices' care delivery changes, then PCF practices may provide similar care—and make similar changes—as non-PCF practices. This limits the potential for PCF to improve patients' outcomes.**

**In its first two years, PCF did not reduce acute hospitalization rates among Medicare fee-for-service beneficiaries and, counter to the model's goals, increased total Medicare Part A and B expenditures (including model payments) by about 1 percent**




*Note: Black bars show 90% confidence intervals*

These findings do not mean PCF practices' care delivery changes are not beneficial to patients.

Rather, they suggest that changes at PCF practices did not lead to different effects compared with changes made by non-PCF practices that had similar characteristics, service use, and expenditures.

**Through 2023, PCF did not reduce hospitalizations or lower costs, but practices continued to develop and refine care delivery strategies, demonstrating their active engagement in care-delivery transformation.**

## Key Takeaways

**A combination of three factors likely led to the evaluation not observing improvements in patients' outcomes:**

1. PCF practices reported advanced care delivery capabilities when they started and therefore entered the model with high performance, potentially making further advancements more difficult.
2. PCF participation was only one factor among many that influenced changes to practices' care delivery.
3. CMS did not expect to see detectable reductions in Medicare expenditures until year four of the model. The evaluation will continue to monitor PCF's effects for the model's duration.