

# U.S. Department of Health & Human Services Fiscal Year 2018 Guidance on Direct Primary Care and Integration into State Medicaid Programs

## NEW INITIATIVE

### Medicaid Direct Primary Care Initiative

Starting in FY 2018, the Department looks forward to collaborating with States to expand Medicaid Direct Primary Care (DPC), which provides an enhanced focus on direct physician-patient relationships through enrolling Medicaid patients in DPC practices. These practices enhance physicians' focus on patient care by simplifying health care payments for patients and physicians. DPC arrangements also often include benefits such as extended visits and electronic communication, which allows for improved patient access to primary care services. DPC arrangements have the potential to improve Medicaid in the following manner:

- **Increasing access.** While approximately 70 percent of physicians are accepting new Medicaid patients nationally, there is wide variation across States and one-third of physicians still do not accept Medicaid patients. Specialists are also more likely to take Medicaid patients than primary care physicians. Moreover, many physicians refuse to treat Medicaid patients for various reasons including low reimbursement rates.
- **Supporting positive health outcomes for Medicaid patients.** While limited, data available for patient outcomes for patients in DPC practices has been relatively positive. The American Journal of Managed Care evaluated a DPC group with practices in many States, and data illustrated positive patient outcomes with decreases in preventable hospital use that resulted in considerable savings.
- **Putting patients and doctors in more control of health care.** DPC practices will support the vital role primary care plays in patient health, including providing preventive services, monitoring health conditions, and improving the crucial physician-patient relationship. By creating DPC practices that would encourage affordable care for patients, these patient-centered reforms would help build a more innovative and responsive health care system—one that empowers patients and ensures they and their doctor have the freedom to make health care decisions without bureaucratic interference or influence.

Working with States and primary care physicians, HHS will support the development of DPC practices, identify barriers to their entry into Medicaid, and outline flexibilities under existing authorities to facilitate these innovative approaches to strengthening the relationships between patients and physicians.

<https://www.hhs.gov/about/budget/fy2018/budget-in-brief/cms/medicaid/index.html>

### ***Enhancing Direct-to-Patient Relationships***

HHS is committed to reducing regulatory burdens facing medical professionals, especially those serving in rural areas. To achieve this goal, HHS continues to look for ways to improve or eliminate regulations that impede the ability of medical professionals to provide the best possible care to their patients. HHS also believes that health care providers are a valuable resource whose input and ideas are essential to a positive health care reform effort. HHS also is committed to an open and transparent process for developing new voluntary payment models that providers can participate in. Finally, HHS has established various avenues of technical assistance to help clinicians be successful in providing efficient, high-quality care to their patients.

Achieving the President's goals to reform Medicaid will require providing States with more flexibility to improve healthcare delivery to meet the needs of their unique populations. Direct Primary Care practices, in which physicians offer primary care services to patients at a set price, generally without payer or insurer involvement, are a mechanism to improve physician-patient relationships. Some State Medicaid programs are already testing this innovative care delivery model. HHS will explore opportunities for States and providers to further expand Direct Primary Care, which will support improved health outcomes for Medicaid populations.

<https://www.hhs.gov/about/budget/fy2018/budget-in-brief/index.html>