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Presented to the New York State Joint Legislative Public Hearing
on the 2022 Executive Budget Proposal
Health
February 8, 2022

Thank you to Chair Krueger, Chair Weinstein, and members of the Senate Finance and Assembly Ways and Means and Committees for the opportunity to testify today. I am pleased to provide testimony on behalf of the New York State Health Foundation (NYSHealth), a private, independent, statewide foundation dedicated to improving the health of all New Yorkers.

The COVID-19 pandemic has glaringly revealed persistent and deep problems within our health care system. As we emerge from the pandemic, we all share the goal to "Build Back a Better Health System." We don't want to go back to our exact same pre-pandemic system—because that wasn't good enough. In this moment, we have the opportunity for a paradigm shift that both improves health outcomes and saves money. The solution: greater emphasis on primary and preventive care. And backing up that pledge by reallocating existing spending, not simply spending more.

The Proven Benefits of Primary Care

Primary care is a cornerstone of vibrant, thriving communities; it helps keep families healthy, children ready to learn, and adults able to pursue education and participate in the workforce. The evidence base supporting the importance of adequate and high-quality primary care is overwhelming. People who receive primary care are significantly more likely to get preventive care such as cancer screenings, flu shots, and counseling related to eating well, exercising, and quitting smoking.[1] Patients with better access to primary care also exhibit better health outcomes and management of chronic diseases like diabetes and asthma.[2] Primary care also saves money; better access to it is associated with fewer hospital visits, fewer emergency department visits, and fewer surgeries.[3] States that have invested in comprehensive primary care models have achieved cost savings; for example, in Oregon, every $1 increase in primary care expenditures resulted in $13 in savings in other services.[4]

[1] Levine DM, Landon BE, Linder JA. "Quality and Experience of Outpatient Care in the United States for Adults With or Without Primary Care," *JAMA Internal Medicine* 2019;179(3):363–372. https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2721037.
[2] Shi L, "The Impact of Primary Care: A Focused Review," *Scientifica*. 2012; 2012:432892.
[3] Kravet SJ, Shore AD, Miller R, Green GB, Kolodner K, Wright SM. "Health Care Utilization and the Proportion of Primary Care Physicians," *The American Journal of Medicine*, 2008 Feb;121(2):142-8. https://www.amjmed.com/article/S0002-9343(07)01088-1/fulltext.
[4] Gelmon S, Wallace N, Sandberg B, Petchel S, Bouranis N. "Implementation of Oregon's PCPCH Program: Exemplary Practice and Program Findings," September 2016. https://www.oregon.gov/oha/HPA/dsi-pcpch/Documents/PCPCH-Program-Implementation-Report-Final-Sept-2016.pdf.

Primary care is one of the rare and proverbial "win-wins"—better health and decreased costs. In a landmark report issued last year, the National Academies of Sciences, Engineering, and Medicine's Committee on Implementing High-Quality Primary Care noted:

> *Primary care is the only health care component where an increased supply is associated with better population health and more equitable outcomes. For this reason, primary care is a common good, which makes the strength and quality of the country's primary care services a public concern.*[5]

Investing in primary care is also a key strategy for achieving racial health equity. Communities that are predominantly Black and Latino have fewer primary care providers and lower-quality health care facilities than communities that are mostly white.[6] The odds of being in a low-access area for primary care were 28 times greater in Census tracts with a high Black population than in areas with a low Black population.[7]

Yet We Underinvest in Primary Care

There is universal agreement: primary care is good for our health and good for our checkbooks, and we need more if it, especially in underserved and low-income communities.

Yet despite all the evidence, our country—and New York State—consistently underinvests in and undervalues primary care. Primary care accounts for approximately 35% of health care services in the United States each year but represents only an estimated 5–7% of health care spending.[8,9] In simple terms, we only spend about a nickel of every health dollar on primary care.

This is not a problem to be addressed by simply throwing money at it. We already spend vast sums on health care. In 2014, New York State spent nearly $10,000 per New Yorker in health care costs—20% higher than the national average.[10]

But all that spending isn't providing enough value for New Yorkers. Our health outcomes are often poor. New York does not rank among the top 10 states for positive health indicators such

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[5] National Academies of Sciences, Engineering, and Medicine, *Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care*, Washington, DC: The National Academies Press, May 2021. https://www.nationalacademies.org/our-work/implementing-high-quality-primary-care#sectionPublications

[6] Institute of Medicine Committee on Understanding and Eliminating Racial and Ethnic Disparities in Health Care; Smedley BD, Stith AY, Nelson AR, editors, "Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care," Washington (DC): National Academies Press; 2003. 2, The Healthcare Environment and Its Relation to Disparities. https://www.ncbi.nlm.nih.gov/books/NBK220358/pdf/Bookshelf_NBK220358.pdf.

[7] Brown E, Polsky D, Barbu C, Seymour J, Grande D. "Racial Disparities in Geographic Access to Primary Care in Philadelphia," *Health Affairs* 2016; 35(8). https://www.healthaffairs.org/doi/10.1377/hlthaff.2015.1612.

[8] Patient-Centered Primary Care Collaborative, "Investing in Primary Care: A State-Level Analysis," July 2019. https://www.pcpcc.org/sites/default/files/resources/pcmh_evidence_report_2019_0.pdf.

[9] National Academies of Sciences, Engineering, and Medicine, *Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care*, Washington, DC: The National Academies Press, May 2021. https://www.nationalacademies.org/our-work/implementing-high-quality-primary-care#sectionPublications.

[10] New York State Health Foundation, "Health Care Spending Trends in New York State," October 2017, https://nyshealthfoundation.org/resource/health-care-spending-trends-in-new-york-state/.

as rates of cardiovascular diseases, low birth weight, diabetes, preventable hospitalizations, drug-related deaths, and excessive drinking.[11]

We can and must do better. We don't need to spend more on health care. We need to spend in smarter and better ways that return better value. **The solution is to rebalance our health care spend; that means allocating a greater percentage of what we spend to primary care.**

Lessons Learned: New York Should Join a Growing National Movement to Emphasize Primary Care

New York is not unique in its underinvestment in primary care. Almost all states face the same dilemma, and a growing number are taking action to correct it. A review by the Primary Care Development Corporation (PCDC) shows that nearly a dozen states have introduced or enacted policies to invest more of their health care dollars in primary care:[12]

- Rhode Island led the way when it set a target of increasing the share of commercial insurer primary care expenditures by 5% over a five-year period. Over the same period, the State's total expenditures fell by 14%. Rhode Island was the only state in New England to increase the supply of primary care physicians per capita, while spending by commercial health insurers grew more slowly compared with other states in the region.
- In Oregon, legislation requires that primary care spending increase by 1% annually, with a goal that primary care account for 12% of total spending by 2023.
- In Massachusetts, the governor introduced legislation to increase spending for primary care and behavioral health services by 30% over three years.

Other states' experiences also suggest that enhanced investments in primary care could ease the strain on the health care workforce. Research shows that one reason for a shrinking primary care workforce is the differences in payment between primary care and specialty care. Both Rhode Island and Oregon were able to increase the number of primary care providers per capita during the time they were increasing primary care spending.

Taking Action Now

The time is ripe for New York to join other vanguard states and rebalance our spending to emphasize primary care. While other states provide models and options, New York will find its own way. What has worked in smaller states like Rhode Island to reallocate resources toward primary care may be more challenging in a state with a health care system as large and complex as New York's.

But the way forward is clear. First, assemble an independent group of experts to agree on a definition of primary care, since there is not a standard national definition. Then, establish a method to measure our baseline primary care spending. There are numerous ways to do this. I personally prefer using billing codes as an approach because it is agnostic about both where the care takes place and who is providing it. What matters most is the care received by the patient. It

[11] America's Health Rankings analysis of America's Health Rankings composite measure, United Health Foundation, State Findings: New York, 2021. https://www.americashealthrankings.org/explore/annual/state/NY.
[12] Primary Care Development Corporation, "Primary Care Spend: State Policy Overview," updated April 2021, https://www.pcdc.org/resources/primary-care-spend-state-policy-overview/.

matters less whether the setting is a hospital, clinic, doctor's office, or urgent care center, or whether it is a doctor, nurse practitioner, nurse, or other provider delivering the care.

Once that baseline measurement is established, work can begin to decide the best ways to increase the proportion of health care dollars that goes to primary care services, set targets for enhanced investments in primary care, and test out pilot programs to identify the most promising models.

Conclusion

It is often said that "you get what you pay for." When it comes to health care in New York, we are spending too little on the right things and too much on things that do not provide as much value. There is an urgent need to emphasize primary care and devote a greater proportion of existing health care dollars to primary care services. If we seize the moment, New York will be a healthier place for all.