The Troubled State of Primary Care

Oregonians depend on a strong primary care system to thrive. This essential foundation of healthcare is currently crumbling under immense pressure. Urgent, decisive action is required to safeguard the future of Oregon's Patient-Centered Primary Care Homes (PCPCHs) - which deliver advanced, comprehensive, coordinated care - and prevent a collapse that would devastate access, equity, affordability, and patient outcomes.

Without interventions to reduce inefficiencies—many of which stem from well-intentioned but burdensome statutes—Oregon's shared goal of ending health inequities by 2030 will be beyond reach. The 2025 legislative session brings an opportunity to reverse this trajectory and protect Oregon's health.

We urge you to consider how each bill before you would impact Oregon's primary care workforce, payment levels for primary care, and the technical and non-clinical support that clinics need to deliver excellent care. The following areas highlight examples of the challenges faced by primary care that, if not addressed, could lead to the continual decline of primary care practices in Oregon.

Primary Care Workforce: A Looming Crisis

- Recruiting primary care clinicians is difficult and getting harder. Oregon is training more primary care clinicians than ever, but we continue to "import" advanced PCPs, even as fewer medical students pursue primary care nationally.
- All professions in primary care are under pressure; clinics report difficulty hiring and keeping MDs, DOs, PAs, NPs, RNs, MAs, and other clinic support staff, especially in rural areas.
- Demographics are working against us: our physician population is aging. Growing numbers of older physicians are leaving practice earlier.
- The strain of the "business" of medicine, increasingly driven by health systems, private equity's expansion in the sector, and the difficulty of remaining economically viable, is generating grave levels of stress among the dedicated teams providing primary care.
- Training and recruitment costs of interprofessional teams, including non-clinical staff, are high and turnover is significant.

> **The primary care workforce shortage is significant and will only grow.** This has a direct link to providing all individuals access to high quality care in a patient-centered primary care home.
>
> Peter Reed, MD
> Pediatrician at Pediatric Associates of the NW

Payment Models: Falling Short

- Primary care payment has not kept pace with inflation, (see figure on page 2) and payment models too often do not cover the full costs of providing the advanced, patient-centered care Oregon has envisioned.
- Efforts to encourage investment in primary care have yielded mixed results. Not all payers are meeting the target of allocating 12% of medical spend to primary care, and Oregonians deserve accountability.
- Clinics must negotiate complex contracts across a high number of payers, and voluntary efforts to align quality measurement and payment models have not gained traction, leading to fragmented operational resources.
- Oregon's well-intended focus on expanding the use of value-based contracts comes with increased complexity, and the newer cost growth target program could hold some independent primary care clinics responsible for expensive care delivered by others.
- The work of securing payment from insurers has too much costly "friction" that affects care and diminishes patient access. The time and stressful effort clinics and clinicians spend managing credentialing, seeking prior authorization, appealing denials, and resubmitting claims is wasteful and unsustainable.

> **We failed to pay for the new model of care, and now the system is breaking.** Fee for service would be fine if it actually paid for the services provided by a PCPCH. We have allowed the dysfunctional insurance system to destroy the PCPCH effort. What do we need? A simple, straightforward way to pay primary care to do the services which actually make a difference.
>
> Glenn Rodriguez, MD,
> retired Portland Family Physician

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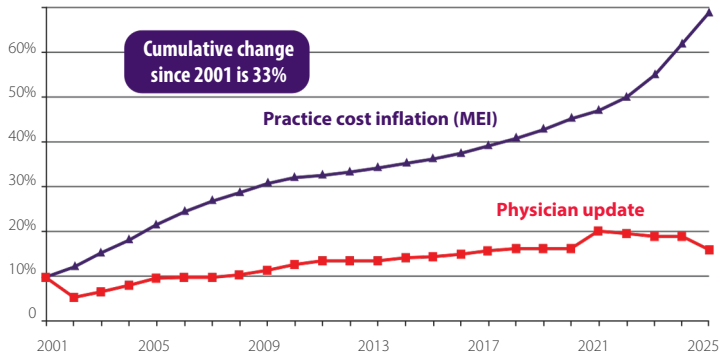
Administrative Burdens: A Costly Drag on Care

- Clinics need sustained help to implement ongoing transformation and changing expectations. The costs of the technical infrastructure and staff capacity needed to support important requirements of the PCPCH model are not supported by all payers, leaving essential care uncompensated.
- Critical information technology and related expertise in data analytics needed for success in value-based contracts is expensive; building and equipment costs are high and growing.
- Clinics need more personnel to support the growing administrative and regulatory demands, but haven't seen a corresponding increase in payment.

Medicare physician payment continues to fall further behind practice cost inflation.



Medicare updates compared to inflation in practice costs (2001–2025) Adjusted for inflation in practice costs, Medicare physician payment declined 33% from 2001 to 2025. Sources: AMA, Federal Register, Bureau of Labor Statistics, Congressional Budget Office

Call to Action

- **Prioritize Primary Care**: Evaluate each proposed bill for how it impacts the current administrative cost and complexity burdening primary care, and limit any added requirements without appropriate compensation.
- **Invest in Sustainability:** Align payment structures with the true costs of providing high quality, patient-centered care.
- **Streamline Administrative Processes**: Reduce costly inefficiencies to allow clinicians to focus on what matters most – patient access and care.
- **Support Workforce Development:** Support training opportunities and loan repayment programs to grow, attract, and retain Oregon's primary care and clinical workforce.

Endorsing Organizations

Oregon Academy of Family Physicians – Making Health Primary

Grants Pass Clinic, L.L.P.

ORCA FM

Oregon Pediatric Society

Children's Health alliance

CC Group – Creach Consulting Group

OPSO – Osteopathic Physicians & Surgeons of Oregon

OPCA – Oregon Primary Care Association

- References and supporting documentation can be found at bit.ly/OregonPrimaryCare
- Learn more about Oregon's Primary Payment Reform Collaborative here.
- Note: This is a living document, current as of 4/16/2025. Use the QR code to jump to the newest document.