



NEWS RELEASE

# Premier Inc. Analysis: Primary Care Clinic Staffing Mix Should Depend on Patient Needs and Payment Model Design

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- Analysis found wide variation in primary care clinic staffing models and productivity
- Under fee-for-service payment, medical assistant-only models with more support staff per provider were the most cost-effective staffing option
- Practices will need to adjust their staffing models to a higher skill mix as they shift to value-based payment

CHARLOTTE, N.C.--(BUSINESS WIRE)-- In a new analysis of primary care clinics, Premier Inc. identified wide variation in staffing model composition, performance and costs. Premier® also found that skill mix is not necessarily a predictor of provider productivity. These unique insights can help primary care practices optimize their staffing models to improve costs and productivity in the transition from fee-for-service to value-based payment.

The analysis and opportunities for improvement were published in Premier's latest Ready, Risk, Reward white paper titled "**Optimizing Primary Care Model Design to Improve Performance.**" Using its robust database of detailed physician practice information, which includes more than 30,000 clinicians, Premier benchmarked 2018 data from 257 family medicine and primary care practices. The analysis found that medical assistant (MA)-only staffing models may be the most cost-effective option for practices that are fee-for-service revenue based. There was no correlation to higher levels of productivity in practices with a richer skill mix. It also found that practices operating in the upper range of productivity were more likely to have more support staff per provider.

"Primary care is one of the highest priorities for health systems as they move to value-based care and payment models," said Chris Smedley, Vice President of Physician Enterprise Services at Premier. "However, many primary care clinics are still operating under fee-for-service and lack the insights necessary to effectively adjust their

operating models as they transition to value. Premier's ability to compare cost structures and performance to practice insights enables practices to drive fact-based changes and implement the most cost-effective, patient-centric model design over time."

Specifically, 22 percent of family medicine and primary care clinics in the analysis used a MA-only model; 54 percent were staffed with a combination of registered nurses (RNs) or licensed practical nurses (LPNs) along with MAs; and 24 percent were staffed with RNs, MAs and LPNs. Clinics with MA-only models and comparable staff were just as likely to achieve top quartile performance as higher skill mix models with RNs. Furthermore, MA-only staffing models were almost half the cost of higher skill mix models (i.e. RN, LPN and MA), with no discernable differences in productivity or output.

"Higher skill mix models that are not using their staff to better coordinate and manage care may be contributing to a higher cost of care," said Smedley. "As the industry moves toward value, participating in risk-based models will become a more viable option for many to ensure financial success. Providers will need to layer on staff with more specialized skill sets in order to more proactively address patient needs in value-based models. The key is to appropriately evolve staffing models as organizations shift to managing the health of their populations."

Primary care is one of the most sought-after specialties in today's value-based payment environment. Health systems, employers and other healthcare entities are looking to invest in partnerships and better align with high-value primary care physicians. The Centers for Medicare & Medicaid Services' (CMS') Quality Payment Program's specific patient attribution rules link patients who receive primary care services to an accountable care organization (ACO) and/or advanced alternative payment model (APM). CMS' Primary Care First Model will offer an innovative payment structure to support the delivery of advanced primary care. Additionally, as more people are covered through Medicaid expansion, more will have access to affordable primary care providers. Meanwhile, medical groups operating under fee-for-service need to manage efficiency and productivity to achieve reimbursement through the Merit-based Incentive Payment System (MIPS).

Health systems and medical groups are realizing the value in having data-driven insights to better understand how primary care operating models affect productivity and costs. Working with a range of providers, Premier has identified strategies to achieve a more informed approach to **physician practice design and effectiveness**. In its white paper, Premier discusses the need for practices to have access to more meaningful data, clearly understand their patient and payer mix, and network with peers.

Premier's strategies for optimizing primary care model design are based on its **years of experience** and data-driven insights on care delivery, operating and payment models. Its Ready, Risk, Reward reports provide a deep understanding of cost, quality and population health trends across the continuum, as well as solutions to reduce inefficiencies in healthcare.

## About Premier Inc.

Premier Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of more than 4,000 U.S. hospitals and health systems and approximately 165,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare. Please visit Premier's news and investor sites on [www.premierinc.com](http://www.premierinc.com); as well as [Twitter](#), [Facebook](#), [LinkedIn](#), [Instagram](#) and [Premier's blog](#) for more information about the company.

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Morgan Guthrie, Premier Inc.; [Morgan\\_Guthrie@PremierInc.com](mailto:Morgan_Guthrie@PremierInc.com); 212.901.1356

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