



Testimony before the Committee on Health Coverage, Insurance, and Financial Services
on *LD 1353, An Act To Establish Transparency in Primary Health Care Spending*

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Senator Sanborn, Representative Tepler, and distinguished members of the Committee on Health Coverage, Insurance, and Financial Services —I am Darcy Shargo, and I serve as CEO of the Maine Primary Care Association (MPCA).

I am sharing testimony today in support of *LD 1353, An Act To Establish Transparency in Primary Health Care Spending*. On behalf of MPCA and its members, which include all of Maine’s 19 Federally Qualified Health Centers (FQHCs) and one FQHC Look-Alike, I encourage you to vote in favor of this bill. Maine’s FQHCs, also known as Community Health Centers, provide comprehensive primary and preventive care for approximately 1 in 6 Maine people.

As the largest primary care network in the state, FQHCs are most often located in communities of greatest need, and have long provided critical access points to Maine people; in towns across this state, health centers are at the front lines of population health management. And yet more could be done. Given our unique demographic challenges, Maine people need a robust primary care system. While there have been various state-led initiatives to support enhanced primary care models, currently we do not know how much we spend on primary care as a percent of total health care spending. If we value primary care as the foundation of our health care system, we need to know how much we’re currently spending in order to better support and maintain it.

In states where this analysis has already been done, primary care accounts for typically 4-8% of total health care spending. In contrast, countries with stronger primary care systems typically spend 12-15% on primary care.ⁱ Having a baseline understanding of where primary care investments stand in Maine will help us to develop the next iteration of primary care innovation and transformation. Furthermore, in states that are already collecting this data, state leaders have been able to set meaningful targets for primary care investments that have been shown to yield significant returns. According to recent research conducted in the state of Oregonⁱⁱ, for every \$1 invested in primary care, \$13 is saved in downstream costs. Further, according to the American Academy of Family Physicians, if the U.S. spent closer to 12% of its healthcare dollars on primary care, it would cut per-patient costs and lead to a decrease in overall healthcare expenditures. In addition, a better understanding of where our primary care investments are going could help to alleviate some of the access and workforce issues that persist in Maine. The Patient-Centered Primary Care Collaborative notes that chronic “underinvestment in

primary care gives rise to patient access and workforce issues, [as it provides a] significant financial incentive for physicians and other clinicians to choose other areas of specialty, which further undermines primary care.”

Finally, an April 8, 2019, *Forbes* magazine articleⁱⁱⁱ notes that “primary care is by far the most significant variable related to better health status, correlating with lower mortality, fewer deaths from heart disease and cancer, and a host of other beneficial health outcomes.” The time is right for the state to think about how we can make investments in better health status for Maine people, and LD 1353 is a great first step in that direction. We urge you to support its passage.

Please do not hesitate to reach out if you have additional questions. I can be reached at dshargo@mepca.org.

ⁱ Data from the Patient-Centered Primary Care Collaborative fact sheet on spending in primary care. FMI, see <https://www.pcpcc.org/>

ⁱⁱ FMI, see <https://www.oregon.gov/oha/HPA/dsi-pcpch/Documents/SB-231-Report-2018-FINAL.PDF>

ⁱⁱⁱ See <https://www.forbes.com/sites/robertpearl/2019/04/08/primary-care-does-anyone-care/>