

How senior-focused primary care

could affect **money flows**

Thanks to an expanding Medicare Advantage population, senior-focused primary care is growing and the downstream financial effects could be substantial. Losses in two sectors, health systems and skilled nursing facilities, may translate into savings for others. Below, we've quantified where money will flow if senior-focused primary care scales to 30% of the potential market size.

Senior-focused primary care is ready to scale — and it's going to cost health systems and skilled nursing facilities

Senior-focused primary care invests in preventive services by focusing on social determinants of health and managing chronic conditions. This can save money for MA plans by reducing utilization of expensive services, especially hospitalizations and skilled nursing facility stays.

\$2.2B

\$251M

Health systems

- **Build, buy, partner, or ignore:** Building out a senior-focused primary care program, either individually or through partnership, can support a value-based strategy. This is especially true for vertically integrated health systems. However, in markets with low Medicare Advantage penetration, health systems may not need to aggressively consider pursuing this type of program.
- **Use new capacity:** Focus on driving growth in high-margin services as medical volumes decrease, potentially by working in partnership with senior-focused primary care providers to shift share.

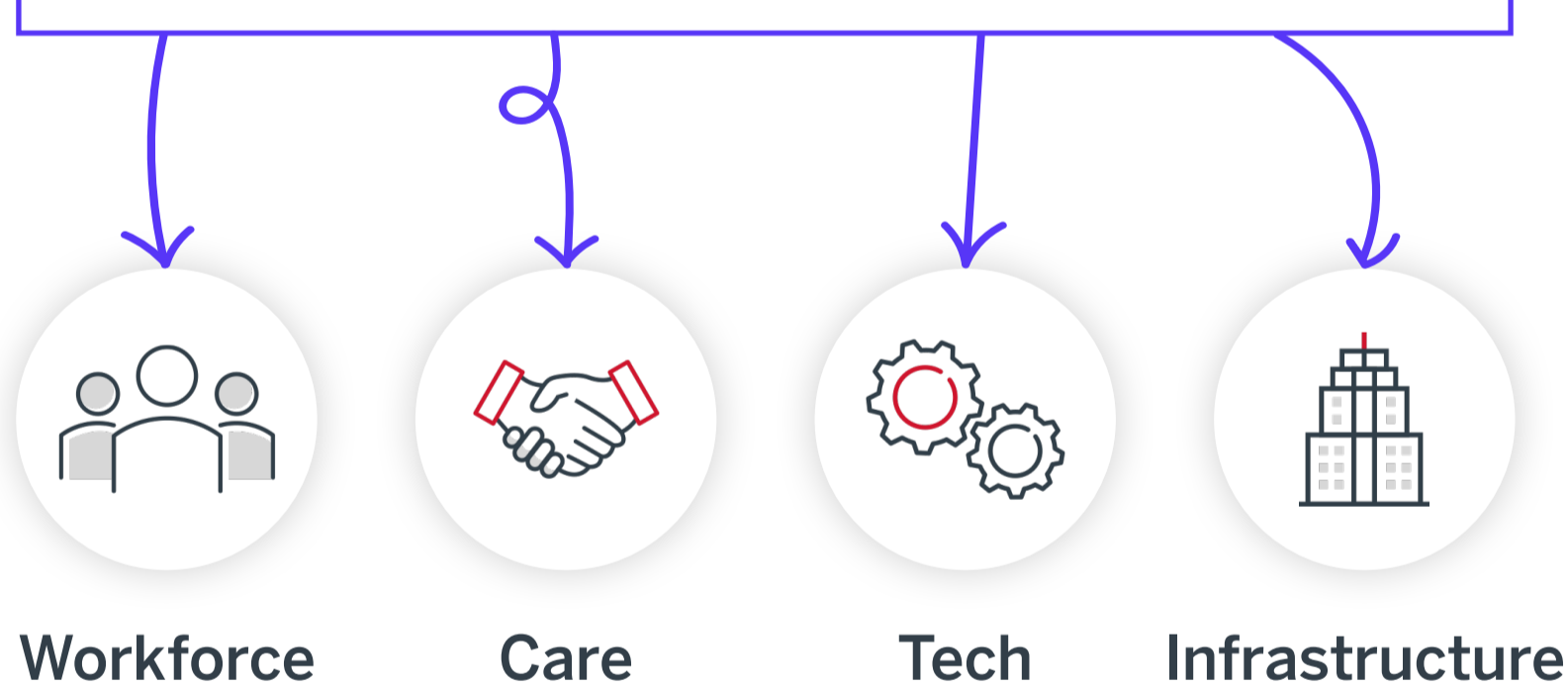
Skilled nursing facilities

Partner for increased volumes: Lower length of stay brings down SNF spending for patients managed by senior-focused primary care.

\$2.25B

\$1.9B

A lot of that money is going to these places



How to grow your share of savings

Losses for health systems and skilled nursing facilities translate into savings for senior-focused primary care providers and plans. Much of those savings will go to increased spending on workforce, care, technology, and infrastructure. The rest will flow to providers and plans. How much depends on how they negotiate.

\$556M

Up for grabs between plans and providers

Plans

- **Partner or buy:** Savings from senior-focused primary care requires up-front investment and takes time, necessitating long-term relationships. Full or part ownership of senior-focused primary care programs can enable longer-term investments that drive the downstream savings on expensive hospital and post-acute utilization.
- **Negotiate:** Arrange favorable contracts with senior-focused primary care providers.
- **Design complementary benefits packages:** Enable up-front investments on patient savings through capitated contracts or tailored benefit design.

Margin for senior-focused primary care

- **Control operating costs:** Build sustainable staffing models, particularly for non-physician care team members.
- **Demonstrate value:** Track and share outcomes and spending data over time to show the value of up-front investment in care management on downstream utilization.
- **Negotiate:** Arrange favorable contracts with MA partners.