



UNITED STATES of CARE

PROMOTING GREATER INVESTMENT in Primary Care

Primary care is the foundation of a high-performing health care system that addresses people's health care needs and is associated with better health outcomes, lower costs, and greater health equity. Despite these benefits, less than five percent of all health care spending goes to primary care, and that number is declining. Nearly one-third of people nationwide don't have access to a regular primary care provider. People's access challenges – and related workforce shortages – are particularly acute in rural communities and other underserved areas, leading many to seek care in more costly emergency settings or forego care altogether. Low levels of investment also disproportionately affect people with chronic conditions who rely on consistent, coordinated primary care services to manage their health needs and avoid hospitalizations.

This lack of primary care investment is driven by an unsustainable fee-for-service payment model that continues to undervalue primary care and threatens the financial viability of independent practices nationwide. Growing health care consolidation, driven increasingly by private equity and other corporate actors, has also exacerbated these investment challenges by shifting care away from primary care offices toward more profitable, non-primary care services in hospital-affiliated care settings, leaving people with fewer options and greater affordability challenges.

A SOLUTION: GREATER INVESTMENT IN PRIMARY CARE

Given the challenges facing both people and primary care practices, many states have begun to take action to promote greater access to and reverse chronic underinvestment in primary care. Policymakers can push for policies that promote more meaningful investments in primary care as part of a broader push away from fee-for-service payment toward patient-first care that improves health outcomes and lowers people's costs.

BENEFITS OF GREATER INVESTMENT IN PRIMARY CARE

A health care system grounded in primary care allows for the personalized, patient-focused relationships that people want with their providers. Investing in these relationships increases access to needed preventive care and is associated with improved health outcomes, including improved life expectancy and fewer hospitalizations.

Greater investment in primary care has also been associated with lower health care costs for both people and the health care system broadly as people, including those with chronic conditions, have access to a usual source of care to keep costs in check. These investments also stand to benefit independent primary care practices by equipping them with the resources needed – through more sustainable payment rates and primary care-focused alternative payment models – to remain independent and resist harmful health care consolidation.

Oregon's Patient Centered Primary Care Home program found that **EVERY DOLLAR INVESTED** in primary care spend was associated with **\$13** IN OVERALL HEALTH CARE SAVINGS.



AFFORDABILITY

MAY 2026

STATE PRIMARY CARE INVESTMENT POLICIES

States should pair broader efforts to lower health care costs with targeted policy solutions to meaningfully increase investments in primary care by:

- **Establishing primary care spending targets:** States can adopt primary care investment targets that require insurers to increase and sustain a certain percentage of overall health care spending on primary care services in order to strengthen people's access, promote care coordination, and support independent primary care practices. Setting a benchmark allows states to monitor primary care spending across populations and payer types and reduce overall costs by avoiding unnecessary specialty care.
- **Ensuring adequate primary care payment:** States can adopt patient-first care alternative payment models, such as prospective payments or hybrid payments, that shift payment away from volume toward quality and guarantee long-term financial security and sustainability to promote practice independence. States can also use these models to increase rates for primary care providers through payment floors and bonus payments across payers. This can include reviewing Medicaid reimbursement to ensure rates are reasonable relative to other payers' to secure provider participation.
- **Coordinating primary care initiatives:** States can create primary care initiatives to bring together providers, payers, and consumers to advise policymakers and coordinate state-level primary care initiatives. These bodies can analyze spending trends, make policy recommendations to the legislature, and have a larger role in overseeing implementation of specific state initiatives to improve primary care access, such as setting primary care investment targets or designing alternative payment models.
- **Addressing the primary care workforce shortage:** To address the growing shortage of primary care providers in rural and underserved areas, states can invest in primary care workforce development programs, such as loan repayment initiatives and expanded graduate medical education (GME) funding to attract and retain providers in more remote care settings. Allowing providers like nurse practitioners and physician assistants to practice at the top of their license by removing unnecessary scope restrictions can also expand people's access to primary care services and ensure a more resilient workforce.

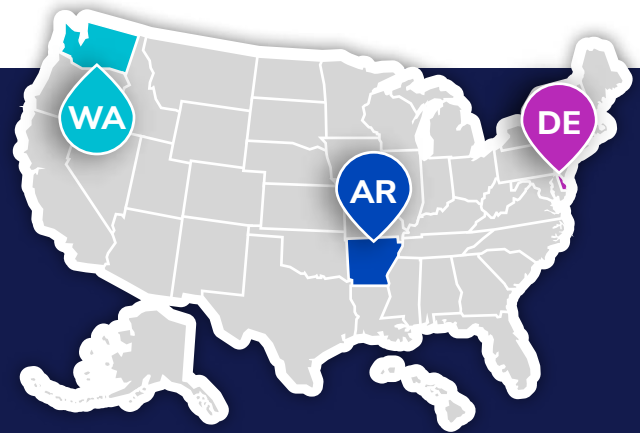
STATE SUCCESSES

States across the country have pursued innovative solutions to increase meaningful investments in primary care:

Arkansas established the state's Primary Care Payment Working Group, which is tasked with convening providers, payers, and other stakeholders to quantify current spending on primary care and identify future strategies to increase investment.

Delaware established targets for commercial insurers to spend no less than 11.5% of their total cost of medical care on primary care and directed the state's pre-existing Primary Care Reform Collaborative to oversee efforts to increase primary care participation in alternative payment models. Since the law's implementation, insurers have generally met its primary care investment targets.

Washington's public option includes a requirement for primary care services to be reimbursed at no less than 135% of the Medicare rate to ensure adequate provider participation and patient access.



See [here](#) for a full list of states with similar policies

MOVING FORWARD

Without meaningful change, people will continue to face serious primary care access and health concerns. As policymakers grapple with solutions to address these challenges and the growing health care affordability crisis, greater investment in primary care remains a proven, cost-effective opportunity for states looking to not only improve health outcomes but also reinforce practices' financial stability and push back against greater health care consolidation by lowering health care costs broadly.

