Emerging Trends: Primary Care Networks Addressing the Workforce Crisis

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To build a resilient, high-performing primary care infrastructure for North Carolina, primary care networks and policymakers should align efforts to create pathways for students, trainees, and new physicians to thrive in primary care. We describe the shifting primary care landscape, current workforce initiatives, and policy options for achieving this goal.

Introduction

There is broad recognition that effective primary care is the foundation of a high-quality health care system and leads to improved health outcomes, fewer health care disparities, and healthier communities [1]. It is also clear that for North Carolina to reach its Healthy North Carolina 2030 goals, robust primary care will be essential [2]. Currently, the Commonwealth Fund ranks North Carolina 34th in the country across 56 health care benchmarks and 37th in health care access and affordability [3]. Accelerated by the COVID-19 pandemic, adverse trends continue both in primary care workforce shortages and primary care access. Low numbers of medical students and other health professional students choose primary care, and more primary care physicians are leaving practice [4]. Concurrently, North Carolina is gaining new entrants to the primary care market supported by massive investments from private equity, while also aligning independent practices into its largest independent primary care network, Community Care Physician Network. To counter workforce shortages and primary care access trends and build a resilient, high-performing primary care infrastructure for North Carolina, primary care networks and policymakers should align efforts to create pathways for students, trainees, and new physicians to thrive in primary care.

Understanding the Primary Care Workforce Crisis

The COVID-19 pandemic stressed a primary care system that was already underfunded and understaffed, leading to worsened economic stress and burnout, especially for physician-owned, small, and rural practices [4, 5]. Surveys during the pandemic indicated that 1 in 5 physicians were considering closing or selling their practice and 25% were expecting to leave primary care within three years [6]. However, the primary care workforce crisis predates the COVID-19 pandemic and is particularly pronounced in rural and other underserved communities. Thirty-two rural North Carolina counties have inadequate access to care with a greater than 1:1500 physician-to-population ratio, and the recent economic stresses on rural practices will likely worsen access. The broader health care workforce is also facing workforce shortages, and this may further impact access to primary care, especially in rural areas [7].

Medical students and other health professional students watching this crisis are not choosing careers in primary care. Only 8.7% of graduating seniors from allopathic medical schools are choosing family medicine programs, while only 22% of seniors from osteopathic medical schools are choosing family medicine, and this number is declining [8]. Tuition has increased rapidly across the country and students with high debt loads are facing additional pressures to choose higher-paying specialties [9]. Finally, it is becoming more difficult to find high-quality primary care offices in which to train learners. The demand for preceptors has grown as schools have increased class sizes and more health professions programs have been established. At the same time, the supply of preceptors has shrunk as health systems have acquired community practices and clinical productivity pressures have created a financial disincentive for effective teaching [10].

Understanding the New Primary Care Landscape

Significant shifts in the primary care landscape over the past decade will impact potential workforce solutions. North Carolina is at the center of the national focus on health care transformation, and is now poised for an estimated 70% or more of health care payments to be made through alternative payment models [11]. Most recently, Medicaid transformation created the Advanced Medical Home program, allowing primary care practices to participate in value-based models with Medicaid managed care organizations. Commercial health insurance plans, like BlueCross BlueShield of North Carolina (BCBS NC), United, Aetna, Humana, and Cigna offer accountable care organizations (ACOs) with two-sided risk arrangements with provider organizations. BCBS NC's

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Blue Premiere ACO program now partners with multiple primary care networks covering 1.4 million patients enrolled in 2021. Numerous North Carolina practices have also aligned under various Medicare Shared Savings Programs offered by the Center for Medicaid and Medicare Services. As a result of the alignment of opportunities across payers, North Carolina is seeing more and more primary care practices affiliate into networks sponsored by health systems, private equity-backed companies, and independent physician organizations [12].

With the emergence of new business opportunities in the value-based space and the increasing economic vulnerability of primary care, there have also been shifts in the ownership of primary care practices. Traditionally, the ownership landscape could be divided into hospital-owned networks and independent networks (Table 1). However, since 2010 and now accelerating since 2020, private equity and corporate entities have made massive investments in primary care. Nationally, primary care-focused entities raised $16 billion in 2020, compared with $15 million in 2010 [12, 13]. It is estimated that by 2030, 30% of primary care practices will be owned by retailers, payers, or private equity-backed companies [14].

Over the last five years, multiple private equity-backed companies have entered North Carolina, predominantly in urban areas. Some companies form joint ventures with physician groups such as Aledade, UpStream Health, and agilon health. Aledade has a significant urban and rural footprint, partnering with approximately 300 primary care practices in various Medicare, Medicare Advantage, and Medicaid contracts. Agilon health has formed long-term joint ventures with large multispecialty groups in the Wilmington, Statesville, and Pinehurst areas. UpStream Health embeds pharmacist-led care management teams and pays practices prospectively for quality performance on Medicare Advantage and Medicare fee-for-service patients, and is now partnering with over 100 practices. Multiple entities also own and operate their own networks and contract with Medicare Advantage plans, including Oak Street Health, ChenMed, Iora Health, CityBlock, and CareMore Health. CityBlock contracts with both Medicare and Medicaid health plans. Alo Solutions was recently formed in a joint venture between BCBS NC and private equity-backed Deerfield Management to support independent primary care practices with various services. In 2022, Alo formed a joint venture with Avance Care, an established primary care physician network, with the purpose of expanding the network and providing modular services to independent practices (Table 1).

Private equity firms tend to bring needed capital, financial and operational expertise, and new care models to primary care practices [13]. While there is emerging evidence that private equity ownership is associated with increased mortality in nursing homes and increased costs in hospitals, little is known about the impact of private equity involve-

TABLE 1.
Primary Care Networks Operating in North Carolina*

Health System Owned Primary Care Networks	Independent Primary Care Networks
▪ UNC Physicians Network, ECU Health, Atrium Health, Duke Connected Care, Triad HealthCare Network, Novant Health, Wake Forest Health Network, Cape Fear Valley Health System, WakeMed Physician Practices, Mission Health, First Health, Catawba Valley Medical Group, Iredell Physician Network	▪ Community Care Physician Network ▪ Carolina Medical Home Network ▪ Atlantic Integrated Health ▪ Emergent ACO
Private Equity Backed Networks (Forming Joint Ventures with Physicians)	**Independent, Large Multi-Specialty Groups**
▪ Aledade ▪ Alo Solutions ▪ agilon health ▪ Caravan Health ▪ UpStream Health	▪ Tryon Medical Partners ▪ Wilmington Health ▪ Physicians East
Private Equity Backed Entities with Owned Networks (Targeting Specific Payers or Populations)	**Corporate Backed Primary Care and Convenience Care**

▪ Medicare/ Medicare Advantage
  ▪ ChenMed
  ▪ Oak Street Health
  ▪ CityBlock Health (Medicare and Medicaid)
  ▪ Iora Health
  ▪ CenterWell Senior Primary Care
  ▪ CareMore Health/Carelon
▪ Employers
  ▪ One Medical
	▪ CVS Minute Clinic and Health Hub
	▪ Walmart Health
	▪ Amazon and One Medical
	▪ Humana and CenterWell Senior Primary Care
	▪ Optum and Landmark Health

*Not intended to be an exhaustive inventory

ment with primary care [15]. Risk-bearing primary care companies must balance achieving savings and improving health outcomes with their fiduciary obligations to their investors. Profits could be used to improve the pay of primary care clinicians and attract more trainees into primary care, or could be paid to owners or investors. These national shifts increase concerns about the "corporate practice of medicine" and potentially misaligned incentives that could affect physician decision-making and patient outcomes [16, 17].

Working Toward a Solution: Current Responses by Health Systems, Private Equity-Backed Companies, and Independent Primary Care Networks

A resilient, engaged, and healthy workforce is key to the long-term success of primary care networks, and many have developed workforce initiatives. Networks often assist practices in recruiting clinicians and provide additional incentives beyond state and federal loan repayment programs. Through shared savings and quality bonuses, all networks provide opportunities for additional revenue, allowing practices to pay primary care clinicians more. Networks are also supplementing the curriculum of academic institutions with experience in value-based care, practice management, and rural health care to attract students and trainees into community-based primary care. Some networks are also supporting teaching practices for medical students and residents by providing teaching incentives, training, faculty appointments, and mentorship programs.

Private Equity-backed Networks

Private equity-backed companies offer a variety of approaches to assist practices with recruitment and retention strategies. In 2022, Aledade launched the FIRST Program to attract advanced postgraduate year 2 (PGY–2) family medicine residents to Aledade partner practices. Aledade provides not only financial incentives, but also a value-based care curriculum and peer mentoring for residents. Agilon health provides physician recruitment and retention programs as part of its long-term partnerships with practices.

Independent Primary Care Networks

In 2021, Community Care Physician Network (CCPN) and Community Care of North Carolina (CCNC) launched the Center for Community-Based Primary Care, which aims to support the long-term viability of primary care practices through workforce pathway initiatives, clinical and business innovations, and advocacy efforts. CCPN is North Carolina's largest independent primary care network with 729 practice sites across the state and 292 practices in health professional shortage areas. The center provides a dedicated physician and staff recruitment program that help practices address critical staffing shortages with a tailored approach to recruitment that includes market analysis, consultation on positions, candidate screening, training, and support. Since the launch in early 2022, the Staffing for Success program has engaged over 75 practices, connecting clinicians to new opportunities and supporting the recruitment of nonclinical staff positions. The center also mentors both medical students and residents who wish to pursue independent practice and rural medicine.

Health Systems

North Carolina's health systems have developed innovative academic partnerships. The UNC–Novant partnership is one example. In Wilmington, together with New Hanover Regional Medical Center (NHRMC), this partnership offers scholarships to students from southeastern North Carolina who are attending undergraduate institutions and pursuing degrees in health careers, and reaches all the way back to high school to introduce students to health careers. The partnership is developing a rural training track for the UNC Family Medicine residency program, partnering with Black River Health Services, a federally qualified health center (FQHC) look-alike in Pender County. The partnership is also working with UNC Department of Psychiatry, NHRMC Psychiatry Institute, and Camp Lejeune Naval Hospital to create a combined civilian/military psychiatry residency program.

Academic Health Centers

To advance health equity, there is also the need to build a primary care workforce that better reflects the communities served. Public academic health centers like ECU Health and UNC Health are developing programs that attract students from rural and other underserved communities and incentivize them to return to care for these communities. Pathway programs at the UNC School of Medicine, like the Kenan Rural Scholars program, support students during health professional training [18]. ECU Health expanded its Family Medicine residency training in 2021 by adding two rural tracks in Ahoskie and Kenansville, with a third site planned in 2024. Both systems also work to recruit and retain primary care physicians in their associated network practices. UNC Physician Network practices offer a progressive rural recruitment package that includes loan repayment and a stipend for those still in residency who sign early. In practice, ECU Health supports its primary care graduates by guaranteeing their salary for the first year while they ramp up their productivity.

Summary and Policy Recommendations

The primary care workforce crisis has been a vexing challenge for North Carolina policymakers for decades. Policy solutions require sustained efforts over a training-to-practicing lifecycle that can span 10 years or more. What is different now is that new allies are emerging and making significant long-term investments in primary care. Policymakers have the opportunity to build a new coalition of interested parties, which include health system-owned networks, independent

networks, and private equity-backed networks. This coalition should focus on the following interventions:

- Strengthening the viability of practices through improved reimbursement, joint ventures, and profit-sharing opportunities that increase primary care practice profitability and narrow the gap between primary care and specialty care salaries.
- Reducing the debt burden of early career physicians by supplementing federal and state loan repayment programs and providing scholarships to health professional students who agree to practice in rural and underserved areas.
- Assisting practices with marketing and with recruiting and retaining talented clinicians.
- Strengthening pathway programs by recruiting diverse students from rural and other underserved communities and providing robust education, mentorship, and support through health profession training that transitions to practice.
- Offsetting the cost and administrative burden of practice-based training programs to increase access to applied learning opportunities for students.
- Developing a statewide coordinated effort to ensure that all learners pursuing health careers in primary care can train in high-functioning primary care sites. This effort should focus on schools such as historically Black colleges and universities (HBCUs) and community colleges that often have inadequate access to such sites because of their lack of affiliation with health systems. NCMJ

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