Advanced Primary Care Management

Ensuring the Bundled Payment Delivers Better Health

2026 PRIMARY CARE COLLABORATIVE EVIDENCE REPORT

Executive Summary
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Prepared by

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Institutional Review Board (IRB) Statement

The following report was found to not be human research and was exempt from IRB by Virginia Commonwealth University.

Disclosure of AI Usage

The Primary Care Collaborative used generative AI tools — notably Otter AI and ChatGPT — to help transcribe conversations and conduct research for this report. All citations were confirmed within the original source material, and quotes from transcripts have been confirmed and affirmed by their authors. The PCC has not used generative AI to generate text, graphics or other materials used in this report. For the PCC's full policy on the use of AI, please visit thepcc.org/privacy-policy.

Dear Colleagues,

In 2021, the National Academy of Sciences, Engineering and Medicine released its landmark report on the state of primary care. The report detailed how the U.S. health system consistently underfunds primary care, leaving care teams around the country shorthanded and under-resourced, even as they serve as the backbone of the American health system.

Since that report was released, the Primary Care Collaborative (PCC) and our organizational members have pushed policymakers to reenvision how and what we pay primary care. Our vision is holistic: we believe in a health system that provides care teams with the resources they need to deliver whole-person primary care that prevents disease, empowers patients to partner with their clinicians to manage chronic conditions and, ultimately, improves the health of all Americans.

To further those efforts, the PCC and our members have urged two Administrations and Congress to explore new payment approaches for supporting primary care.

The introduction of the Advanced Primary Care Management services in 2025 is a sign that our efforts to educate policymakers on the need for new approaches to funding primary care are bearing fruit. By creating a population-based payment in the form of a bundled code — which covers multiple services that primary care is underpaid for or not paid for at all — the Centers for Medicare and Medicaid Services has begun to move toward building a more sustainable and effective health system.

As you will see from this report, the APCM bundle is not perfect, and there are challenges that may mean this approach is not the right fit for all of primary care. But for many practices across the nation struggling to keep their doors open, the program may well be a vital lifeline. It is also an important step toward revaluing primary care and moving away from a flawed payment system that has — for far too long — underpriced primary care.

We are grateful to our partners at **West Health**, who recognized the importance of this moment and provided us with the strategic guidance and support needed to compile the report. Their support enabled us to educate ourselves and our community through a webinar, a survey, engaging our PCC workgroups, interviewing early adopters and analyzing early claims data. We appreciate the help that our partners at **Innovaccer** provided to help find potential case studies.

And we are thankful to our reviewers, whose feedback and commentary made this report the best possible version of itself: **Kameron Matthews**, MD, JD, from IMPaCT Care; **Sophia Tripoli**, MPH, from Families USA; and **David Meltzer**, MD, PhD, from the University of Chicago.

I hope that you find reading this report as informative as we did writing it.

Warmly,

Ann Greiner
President and CEO, Primary Care Collaborative

Report Summary

Introduction

In 2025, the Centers for Medicare and Medicaid Services (CMS) launched Advanced Primary Care Management (APCM) services. The APCM services and associated billing codes serve as an alternative bundled payment option for primary care clinicians to deliver and receive monthly payment for a group of care management activities.

The codes built on previous efforts by Medicare to bolster primary care, but the new APCM codes had two major differences — they did not require care teams to track their time and they encompassed a broad set of services that either went uncompensated, required multiple billing codes under previous cycles or were so modestly paid that clinicians did not think the juice was worth the squeeze.

The Primary Care Collaborative (PCC) welcomes the introduction of Medicare APCM services and their potential to improve the health outcomes of beneficiaries with chronic conditions by providing *new* resources to strengthen primary care's capacity to provide ongoing care and support to an important subpopulation of Medicare beneficiaries.

The bundled payments will finally compensate clinicians for essential work that too often goes unrecognized under the physician fee schedule, allowing them to keep their doors open and meet their patients' needs. The payments also provide resources for practices to build new capabilities, expand services and deliver more comprehensive care, leading to better patient health.

APCM also marks an important shift in conversations about Medicare payment reform. For many primary care practices, the new APCM bundled services may be a pathway away from fee-for-service (FFS) to hybrid payment — a mix of a monthly population-based payment and FFS. Hybrid payment provides more flexibility in how care may be delivered and more predictability — allowing some visits to be longer and for the practice to build out its team.

However, while the new APCM services hold enormous potential, it is unclear how broadly the program will be adopted or how effectively it is being implemented. To better understand the state of APCM adoption, the PCC has conducted research drawing on an assessment of the first year of Medicare claims (Jan. 2025 to Dec. 2025), a PCC survey of the primary care community, and five case studies.

> **"APCM is an opportunity that, "allows [primary care] to hire support staff for unfunded services that patients rely on in primary care settings."**
>
> **Response to Survey of the PCC Community on APCM**

Quantitative Results

APCM adoption grew in its first year 2.7 fold, but overall reach remains modest. Growth has been driven primarily by new clinician entrants rather than expansion among early adopters, and clinician turnover is notable. APCM growth, however, was more rapid than chronic care management during its first year. Nearly two-thirds (63%) of APCM volume growth from Q1 to Q4 came from clinicians who were not billing APCM in the first quarter. At the same time, a meaningful share of clinicians stopped billing the program from one quarter to the next, with 12 to 16% attrition observed across quarters in year one.

APCM is functioning largely as a primary care service. Family medicine, nurse practitioners and internal medicine accounted for most APCM claims, with **93.6% originating from primary care specialties**.

Looking ahead, APCM spending is very likely to remain extremely small in the context of total Medicare expenditures. An unanswered question is whether APCM services will generate offsetting savings through reduced downstream utilization, which will affect the long-term value in addition to measurable improvements in beneficiary outcomes.

The PCC Community's Perspective on APCM

In July 2026, the PCC conducted a short survey to gain a deeper understanding of the primary care community's awareness and perspective on APCM services. Key findings include:

- When asked to rank potential benefits of APCM services, a plurality (42%) of respondents selected "regular monthly revenue to support previously unpaid care such as after-hours coverage" as the top opportunity.
- When asked to rank potential hurdles to effectively implementing APCM services, most respondents ranked collecting cost-sharing as the biggest challenge (42%).

Case Studies of Early Adopters

The PCC's strong interest in the role of primary care teams informed the decision to interview a range of key informants from different specialties and in different roles. Based on the interviews, the following factors were identified as key enablers or barriers to APCM adoption:

Enablers for APCM Adoption

The cost-sharing waiver for Qualified Medicare Beneficiaries (QMB) enrolled in APCM. A QMB is a low-income individual enrolled in both Medicare and Medicaid.

Developing clear and compliant workflows for teams and clinicians, including electronic health record (EHR) documentation and access to care plans (including by patients and their caregivers).

Scripts and templates to support clinicians and administrative staff who are onboarding beneficiaries to APCM services.

Experience in value-based payment (VBP) models and existing care management teams, together with data and decision support infrastructure to build out with additional support from APCM.

Organizational leadership and internal support to work through APCM financial modeling, IT, revenue cycle and other collaboration needed with primary care leadership and teams.

Automated triggers for care teams to update care plans or take other action to begin the billing cycle.

Barriers to APCM Adoption

Medicare Part B cost-sharing rules that discourage beneficiaries without supplemental coverage for cost-sharing liability from consenting to APCM services.

A lack of clarity on what role auxiliary staff and other members of the team can play in supporting the focal clinician with care plans and other documentation.

A complex process for obtaining consent and the need for re-consenting when a patient transitions to a new "focal point" clinician.

Lack of multipayer alignment, with some plans competing with practices and population health teams by offering their own in-house care management and refusing to cover it when done outside their own model.

Primary care clinicians are not always engaged in payment and resource decisions. Larger organizations should demonstrate how the flow of funds from APCM goes to build out primary care teams, reduces workloads and supports care innovation.

Policy Recommendations

Remove burdensome beneficiary cost-sharing

For the 13% of standard beneficiaries without supplemental coverage, APCM services are subject to Part B cost-sharing rules, creating an additional financial hardship that often serves as a barrier to enrollment in APCM services.

Alleviating cost-sharing for APCM is important because:

- Medicare's cost-sharing is a burden on beneficiaries in Original Medicare.
- As covered Part B services, APCM services should also be covered by Medicare Advantage (MA) plans, but there is ambiguity over the beneficiary cost-sharing in MA plans.
- There is an inability for care teams to determine beneficiary cost-sharing amount owed across Medicare supplemental and MA coverage at time of consent.

Create incentives for multipayer alignment across Medicare and Medicaid

While APCM aims to streamline care management for primary care in Original Medicare, the addition of a new set of codes does create more potential paperwork for primary care teams. Creating alignment around the simpler billing implemented by APCM by encouraging other payers to follow CMS's lead — especially in MA and Medicaid Managed Care — can help alleviate administrative burden *and* expand access to a valuable set of services for more people.

Streamline beneficiary onboarding, re-consenting to APCM, care documentation

More clarity is needed from CMS on the details of the beneficiary consent process, such as how auxiliary staff can assist the focal point clinician with beneficiary notification, education and consent process.

Build an on-ramp from APCM to accountable care

The capabilities APCM requires are necessary but not sufficient for accountable care. Accountable care is a term used to describe care models in which teams are responsible for improving quality and outcomes, coordinating care and avoiding unnecessary costs. CMS could design APCM so that practices that build these capabilities have a clear, low-friction path to the next step:

- **Recognize sustained APCM participation as a readiness signal.** Practices that bill APCM consistently across a meaningful share of their panel have shown the operational capacity accountable care requires.
- **Carry the APCM relationship into attribution (accountable clinician) for VBP models.** The APCM consent process creates a documented, patient-affirmed relationship with a focal (primary) point clinician. CMS could align this designation with voluntary alignment (a patient selects their primary care clinician) in the Medicare Shared Savings Program, so the relationship persists when a practice joins an accountable care arrangement.
- **Allow APCM to convert into prospective payment (paid in advance, usually monthly) within Accountable Care Organizations (ACOs).** For ACO participants, CMS could permit APCM revenue to be paid as a prospective per-beneficiary amount rather than billed code-by-code each month.
- **Equip APCM practices with the data that accountable care requires.**

Conclusion

Medicare's introduction of APCM in 2025 represents a significant investment in strengthening comprehensive, longitudinal primary care. By supporting the important work that occurs between visits, APCM gives practices a practical starting point for building the team-based, longitudinal capabilities that whole-person care requires.

As APCM enters its third year in 2027, policymakers have an opportunity to strengthen it on two fronts. The first is removing the barriers that slow adoption: beneficiary affordability, administrative complexity, multipayer misalignment and ambiguity about how interdisciplinary teams participate. The second, and ultimately more consequential, is connecting APCM to what comes next. The capabilities required to participate in APCM are the same capabilities required for success in accountable care or VBP models. Such models can offer even greater opportunities for primary care teams to lead care transformation and create a more satisfying and sustainable practice environment.

Primary Care Collaborative

The Primary Care Collaborative (PCC) is the leading national, nonpartisan and multi-stakeholder voice advocating for better health and wellbeing for all Americans by strengthening primary care. The PCC unifies and engages diverse stakeholders in promoting policies and sharing best practices that encourage the growth of comprehensive, whole-person primary care.

thePCC.org

West Health

Solely funded by philanthropists Gary and Mary West, West Health is a family of nonprofit and nonpartisan organizations that include the Gary and Mary West Foundation and Gary and Mary West Health Institute in San Diego and the Gary and Mary West Health Policy Center in Washington, D.C. West Health is dedicated to lowering healthcare costs to enable seniors to successfully age in place with access to high-quality and affordable health and support services that preserve and protect their dignity, quality of life and independence.

Learn more at **westhealth.org**.

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