

Unified Financing for Primary Care

Background

In April 2024, CAFP established a Primary Care for All (PCFA) Task Force charged with recommending an organizational position on payment and health system models to expand and simplify access to primary care. Members of the task force have expertise in health system financing, practice management, and health policy. The task force convened several times throughout 2024 to research and analyze policy options. In March 2025, a hearing was held at CAFP's All Member Advocacy Meeting (AMAM) in which CAFP members shared their thoughts and perspectives on the topic. Following the hearing at AMAM, the task force issued a final report and policy recommendations to the CAFP board, which were officially approved on December 6, 2025. Included among the policy recommendations was a state unified financing model for primary care.

The Policy - Unified financing for primary care in the form of a universal, state-administered single payer program covering primary care services.

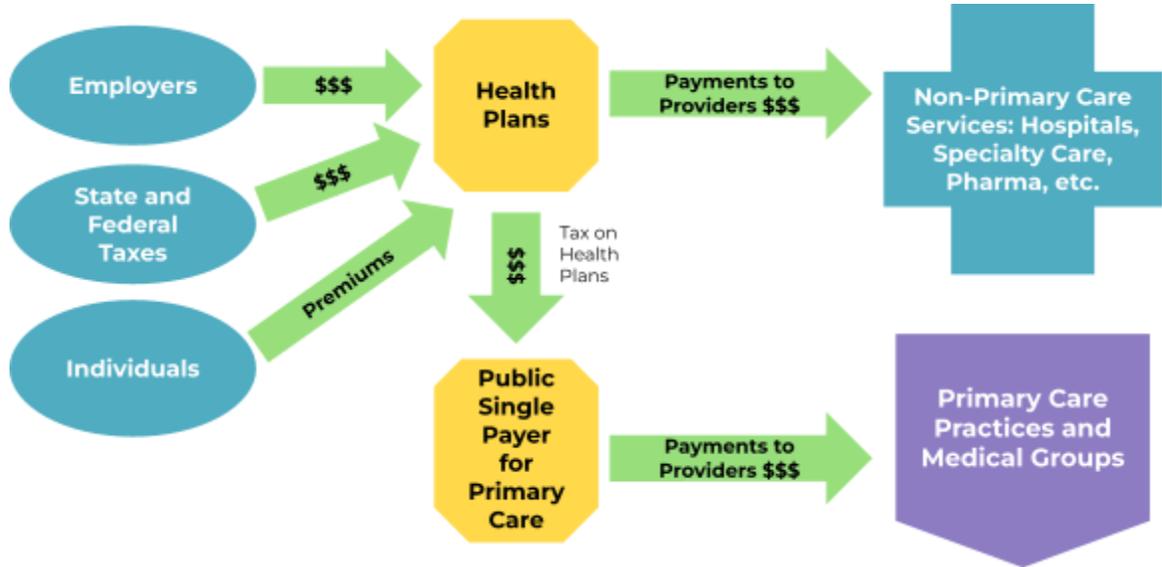
Another way of thinking about it is a state-sponsored direct primary care model. The model is coupled with a doubling of the share of total health expenditures spent on primary care, consistent with the state's existing goal of increasing primary care to 15% by 2034.

Key Components

- The program would provide universal coverage for primary care for all residents of California and assume responsibility for paying all covered primary care services
- Residents would retain other health insurance for coverage of non-primary care services
- Budget would be statutorily indexed to 15 percent of total health care expenditures in the state
- All primary care practices participating in the program would bill the universal program under a simplified payment model that includes prospective payments for empaneled patients (similar to direct primary care)
- Federal waivers would be required to include Medi-Cal and Medicare in the program

How would this be paid for?

Financed by a back-end tax on health plan that pools existing funds from all payers into a single public trust fund which pays for universal primary care



What Does this Mean for Family Physicians?

Unified financing for primary care allows for increased and more stable and predictable financing for family physicians delivering primary care services. Patients will have universal access to primary care with continuity of coverage and care, creating a more equitable health care system for all residents, regardless of income, employer, zip code, or immigration status.

“Family physicians will face less administrative burdens associated with billing and have more time to focus on patient care.”

- PCFA co-chair Dr. Kevin Grumbach

As a result of this simplification and increased resources flowing to primary care, there may be a greater interest from medical students in family medicine and enhanced economic viability for small independent practice family physicians.

For more information about unified financing, and the work of the PCFA Task force, visit www.familydocs.org/PCFA.