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PCC Calls on Congress to Protect Primary Care Investments in 2020 Medicare Physician Fee Schedule

March 12, 2020

The Honorable Frank Pallone
Chair
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Greg Walden
Ranking Member
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Chair
Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Grassley
Chair
Finance Committee
U.S. Senate
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Finance Committee
U.S. Senate
Washington, DC 20510

Dear Chairmen Pallone, Neal, and Grassley, and Ranking Members Walden, Brady and Wyden,

The Primary Care Collaborative (PCC) commends the Centers for Medicare and Medicaid Services (CMS) for the re-valuations it pursued in its final 2020 Medicare Physician Fee Schedule to strengthen primary care, which evidence shows is the foundation of a high-performing health system. The American Medical Association's Relative Value Scale Update Committee (RUC)-recommended values finalized by CMS for evaluation and management (E/M) visits will more accurately reflect the resources involved in furnishing a typical office/outpatient E/M visit, and the new visit complexity add-on code recognizes the additional resources inherently required to furnish some kinds of these visits. We now call on Congress to ensure those improvements remain intact.

2020 Fee Schedule: Positive Changes for Primary Care and Patients

As a diverse coalition of stakeholders committed to advancing high-value primary care, PCC supports federal payment structures that are fair and drive better patient outcomes. The 2020 Physician Fee Schedule (PFS) final rule works to achieve both: by including higher values for

E/M office visits and providing a visit complexity add-on payment starting in 2021, the final PFS moves towards critically re-aligning an unbalanced health care system that today better compensates “downstream” acute and specialty care over “upstream” prevention and chronic disease management. PCC’s [2019 Evidence Report](#) found that only 4.4 – 6.9% of total Medicare spending goes to primary care services, compared to an average 14% spent by Organization for Economic Co-operation and Development (OECD) countries.

Primary care continues to face severe workforce shortages that threaten patient access to continuous, accessible care. Taken together, the rule’s higher values for E/M—the principal service offered by primary care providers—and the visit complexity add-on code offer important pay increases to primary care practices that could ultimately incent recruitment and retention of primary care clinicians. This rebalancing of Medicare spending towards primary care is ultimately better for patients and better for overall costs. Over a decade of research supports this connection, including PCC’s latest evidence report that found an association between increased primary care investment and fewer emergency department visits and hospitalizations.

The Necessity of CMS’s Policy on 10- and 90- Day Global Payments

While higher payments for primary care and other non-proceduralists are essential to improve beneficiary health, and ultimately affordability, Medicare’s budget-neutrality policy requires that they be ‘paid for’ from other areas. The 2020 CMS rule accomplishes this in part by simultaneously holding global E/M payments constant.

A recent [New England Journal of Medicine article](#) (Mulcahy, Merrell, Mehrotra, 2020) suggests that CMS’s approach of not applying the office visit E/M payment increase to global surgical services is appropriate given practice patterns and is fiscally responsible given the agency’s role as stewards of the Medicare Trust Fund. The peer-reviewed research found that Medicare E/M visits were considerably over-accounted for in global payments: postoperative visits were reported in only 4% of 10-day global periods for more minor procedures and in only 39% of 90-day periods for more complex procedures. Yet, historically, Medicare global values reflect an assumption that these visits always occur.

The final 2020 PFS begins to address this by precluding E/M rate increases from applying to postoperative visits in global payments. PCC supports this as a sensible means to re-balance payment and to re-orient our healthcare system towards preventative, team-based primary health care.

Call to Congress: Protect the Final Physician Fee Schedule

Re-valuations in the 2020 Medicare PFS were authorized by CMS and based on recommendations from the RUC following a robust data gathering process that reflects the input of more than 50 medical specialty societies. Still, the rule’s advances are under threat. Specialty

groups, including those that serve to benefit from increases to E/M visits bundled into global surgical codes, are actively advocating to reverse the final rule, even though data suggest that these follow-up visits are not being provided in most cases.

We now call on Congress to protect the final 2020 Medicare Physician Fee Schedule. The policy changes issued by CMS are well-justified by evidence, reflect current practice patterns, and are fiscally prudent. They will drive spending towards increased investment in primary care—a direction our health system needs to point for both Medicare’s fiscal sustainability and its beneficiaries’ overall health.

We would be happy to answer any questions at agreiner@pcpcc.org. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Ann C. Greiner". The signature is written in a cursive, flowing style.

Ann Greiner
President & CEO
Primary Care Collaborative

PCC Executive Members

Below is a list of the Primary Care Collaborative's executive members that pay dues to the organization and support its mission. Membership does not indicate explicit endorsement of this letter.

Accreditation Association for Ambulatory Health Care (AAAHC)
Alzheimer's Association
American Academy of Child and Adolescent Psychiatry (AACAP)
American Academy of Family Physicians (AAFP)
American Academy of Pediatrics (AAP)
American Academy of PAs (AAPA)
American Association of Nurse Practitioners (AANP)
American Board of Family Medicine Foundation (ABFM Foundation)
American Board of Internal Medicine Foundation (ABIM Foundation)
American College of Clinical Pharmacy (ACCP)
American College of Lifestyle Medicine (ACLM)
American College of Obstetricians and Gynecologists (ACOG)
American College of Osteopathic Family Physicians (ACOFP)
American College of Physicians (ACP)
American Osteopathic Association (AOA)
American Psychiatric Association Foundation
American Psychological Association
America's Agenda
Anthem
Bess Truman Family Medical Center
Black Women's Health Imperative (BWHI)
Blue Cross Blue Shield Michigan
Blue Cross Blue Shield of North Carolina
CareFirst BlueCross BlueShield
Collaborative Psychiatric Care
Community Care of North Carolina
Community Catalyst
CVS Health
Doctor on Demand
Geisinger Health
Harvard Medical School Center for Primary Care
HealthTeamWorks
Humana, Inc.
IBM
Innovaccer
Institute for Patient and Family-Centered Care (IPFCC)
Johns Hopkins Community Physicians, Inc.
Johnson & Johnson
Mathematica
Mental Health America
Merck & Co.

Morehouse School of Medicine - National Center for Primary Care
National Alliance of Healthcare Purchaser Coalitions
National Association of ACOs (NAACOS)
National Coalition on Health Care
National Interprofessional Initiative on Oral Health (NIIOH)
National PACE Association
NCQA
Pacific Business Group on Health (PBGH)
Pediatric Innovation Center
Permanente Federation, LLC
PCC EHR Solutions
Primary Care Development Corporation (PCDC)
Society of General Internal Medicine (SGIM)
Society of Teachers of Family Medicine (STFM)
SS&C Health
St. Louis Area Business Health Coalition
Takeda Pharmaceuticals U.S.A.
The Verden Group's Patient Centered Solutions
University of Michigan Department of Family Medicine
UPMC Health Plan
URAC
YMCA of the USA
