June 1, 2020

The Honorable Alex Azar
Secretary
Department of Health and Human Services
200 Independence Avenue, NW
Washington, D.C. 20201

Dear Secretary Azar:

On behalf of the American College of Physicians (ACP), I am writing to ask that the Department of Health and Human Services (HHS) make a targeted allocation out of the Provider Relief Fund (PRF) to primary care clinicians, and/or their practices, to offset reduced revenue and increased costs related to COVID-19, similar to the targeted allocation made to rural hospitals. Such a targeted primary care allocation should:

1. Be sufficient to offset lost revenue and increased expenses related to COVID-19, after accounting for disbursements they may receive from the PRF general allocations;
2. Be distributed immediately and effectively to primary care clinicians and practices, in time to prevent them from closing in a matter of weeks; and

The American College of Physicians is the largest medical specialty organization and the second-largest physician membership society in the United States. ACP members include 159,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness. Internal medicine specialists treat many of the patients at greatest risk from COVID-19, including the elderly and patients with pre-existing conditions like diabetes, heart disease, and asthma.

As indicated in our recent letter, as well as a joint letter with the American Academy of Family Physicians, ACP believes that without such immediate action to expressly prioritize PRF funding to primary care, many will soon have no choice but to close their doors or sell out to equity firms or large consolidated health care systems, driving up health care costs and reducing access to care. A recent survey found that nearly half of primary care clinicians reported that they have laid off/furloughed staff, two-thirds report that less than half of what they do is reimbursable, and 45% are unsure if they have the funds to stay open for the next four weeks.¹

Even as primary care clinicians begin to resume in-office visits, we anticipate that reduced patient volumes, and associated revenue losses, will continue through at least the end of 2020. COVID-19 mitigation will require that primary care clinicians see fewer patients per hour and per day, as they will have to space out appointments, and many patients will be reluctant to come into the office for care. Coverage of telehealth and phone consultations even at in-person rates as announced by CMS, while helpful and appreciated, will not be sufficient to offset reduced patient volume associated with fewer in-person visits.

We recognize and appreciate that HHS has made general distributions to physicians and hospitals out of the PRF created by the CARES Act, including to primary care. However, such disbursements are not sufficient to keep many from closing. The general allocations also require that primary care competes for limited PRF dollars with others eligible for the fund, in a way that overlooks the unique challenges facing primary care. A targeted allocation to primary care would ensure that primary care gets the direct and dedicated funding needed to survive.

We note that there is precedent for HHS to make a targeted allocation for clinicians and hospitals facing special challenges. In the background materials regarding the rural targeted allocation, HHS stated, “Rural hospitals, many of whom were operating on thin margins prior to COVID-19, have also been particularly devastated by this pandemic. As healthy patients delay care and cancel elective services, rural hospitals are struggling to keep their doors open. $10 billion of the Provider Relief Fund is being paid to rural healthcare providers.” The same is true of primary care practices throughout the United States, not just in rural areas.

In conclusion, we urge you to take immediate action to save the nation’s primary care system by implementing the policies recommended in this letter. Failure to act in a meaningful way will result in a step back in the progress made and contributions of primary care clinicians to effectively manage chronic diseases, vaccine adherence, and overall population health and wellness.

Sincerely,

Jacqueline W. Fincher, MD, MACP
President, American College of Physicians