



May 19, 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 support primary care physicians and their practices, sufficient to keep their doors open, by offsetting lost revenue from the COVID-19 pandemic, similar to the targeted allocation for rural hospitals.** In addition, ACP urges HHS to create more options for primary care practices to **transition away from pure fee-for-service (FFS) to per patient per month (PPPM) prospective payments**, adjusted for patient characteristics, health status, and risk. These recommendations build upon, and add specificity to, our [letter](#) on April 28th where we recommended that a substantial and dedicated portion of the newly authorized \$75 billion of the PHSSEF be rapidly and automatically disbursed to physicians and their practices based on lost revenue and increased costs.

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.

ACP has heard from many internal medicine specialists providing primary and comprehensive care to patients that they are just weeks away from closing their doors, due to drastic declines in patient volume. We recognize and appreciate that HHS has made general distributions to physicians and hospitals out of the PRF created by the CARES Act, and will soon be announcing how the remaining funds will be distributed. We also recognize and appreciate that Congress, through the Paycheck Protection Program and Health Care Enhancement Act, provided an additional \$75 billion in funding for hospitals and physicians. While the general allocations of PRF funding have been and may continue to be of help to many primary care practices, *ACP believes that the next tranche of disbursements needs to be sufficient to offset at least 80*

percent of revenue experienced by primary care physicians and their practices in order for them to keep their doors open. Therefore, we offer the following approach to achieve this goal.

ACP urges HHS to make a targeted allocation out of the PRF to primary care physician practices, similar to the targeted allocation for rural hospitals, in an amount sufficient to offset at least 80 percent of total lost revenue from all payers, including Medicare, Medicaid and commercial insurers, from April 1 through the end of the calendar year, after taking into account disbursements already received by such practices from the general PRF allocations. The targeted allocation should also include payments for direct increased costs incurred by primary care practices for Personal Protective Equipment and other supplies associated with COVID-19.

In the background materials regarding the rural “provider” targeted allocation, the agency states the reason for this approach is that, “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.** A targeted allocation to practices and specialties—internal medicine, family medicine and pediatrics—that principally provide primary and comprehensive care to patients is needed to ensure they can keep their doors open, rather than being forced to close or sell out to equity firms or large consolidated health care systems, driving up health care costs and reducing access to care.

Internal medicine specialists and other primary care physicians have an essential role in delivering primary, preventive, and comprehensive care not only to patients with symptoms or diagnoses of COVID-19, but also to patients with other underlying medical conditions, including medical conditions like heart disease and diabetes that put them at greater risk of mortality from COVID-19. Many studies have shown that the availability of primary care in a community is associated with reduced preventable mortality and lower costs of care, yet recent surveys suggest that many primary care facilities will soon close without additional support.¹ They must be supported.

We suggest that the targeted allocation to primary care could be disbursed to practices through *a single lump payment, through quarterly payments, or through per patient per month payments*, retroactive to April 1 and through December 31, 2020, as discussed below. Primary care physicians and their practices could be required to attest to the amount of revenue lost from all payers, as well as increased costs, with appropriate but not excessive or overly burdensome documentation, in order to receive the targeted allocation disbursements.

ACP also urges HHS to make more options available to enable primary care physician practices to transition away from fee-for-service (FFS) by providing per-patient per-month (PPPM) prospective payments adjusted for patient demographics. This could be done by distributing the targeted allocation for primary care suggested above through PPPM payments,

and/or by expanding on the primary care models developed by the Center for Medicare and Medicaid Innovation. The COVID-19 pandemic has shown the inherent flaws of FFS as a way of compensating primary care physicians, because revenue depends on being paid for a specific visit and procedure; as the volume of visits and procedures decline, primary care physicians and their practices are unable to bring in the revenue to keep their doors open. ACP has long-supported programs such as those from the CMS Innovation Center to provide PPPM payments to primary care. While completely eliminating FFS may not be viable for all practices now, we strongly encourage voluntary expansion of models to make PPPM payments to primary care adjusted for patient demographics—and provided more detailed recommendations for how this could be done in our April 28th letter.

Finally, ACP urges that HHS also prioritize disbursements of PRF funds to internal medicine subspecialty practices, smaller practices, and practices serving urban and rural underserved communities. We believe the actions recommended by ACP in this letter will complement those taken to date by the Agency and will further enable physicians to provide necessary care to those suffering from COVID-19, as well as their broader patient populations as needed and appropriate.

If you have any questions regarding this letter or would like to discuss the details further, please contact Brian Outland, Director, Regulatory Affairs at boutland@acponline.org.

Sincerely,

A handwritten signature in black ink that reads "Jacqueline W. Fincher". The signature is written in a cursive, flowing style.

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

ⁱ https://www.commonwealthfund.org/blog/2020/primary-care-and-covid-19-pandemic?utm_source=alert&utm_medium=email&utm_campaign=Delivery%20System%20Reform