



American Academy  
of Pediatrics



DEDICATED TO THE HEALTH OF ALL CHILDREN™



Our three organizations represent the nation's frontline physicians who furnish the overwhelming majority of primary care to our nation's children, adults, and elderly for a full-range of physical conditions including diagnosing and treating millions of patients and their families for COVID-19. Congress should provide vital support to primary care physicians by securing the long term stability of our primary care infrastructure, supporting scheduled Medicare Physician Fee Schedule increases for primary care, enacting Medicaid primary care pay parity, and increasing access to immunizations.

### **Stabilize, Strengthen, and Sustain Primary Care:**

The U.S. primary care system is facing unprecedented challenges and, in many parts of the country, is on the verge of collapse due to the COVID-19 pandemic. Immediate financial support is needed to ensure that primary care remains viable throughout the pandemic and into the future. According to a recent survey about impact of the pandemic on primary care practices, a third of clinicians report that fee-for-service is down 30 to 50 percent, almost half report that in-person volume is down 30 to 50 percent, and a quarter report that their pandemic financial support is running out. To date, most financial relief efforts have not focused on primary care or the ambulatory health care delivery system. While we believe that comprehensive solutions to stabilize, strengthen and support primary care are needed, there are immediate steps that Congress should take now:

- ***Direct the Secretary of Health and Human Services to make a targeted allocation of funds to primary care physician practices, similar to the targeted allocation for rural hospitals, either by setting aside existing funds from the Provider Relief Fund or authorizing and appropriating additional funds.***
- ***Direct the Center for Medicare & Medicaid Innovation to expand existing alternative payment models and accelerate its work to shift primary care from fee for service toward more sustainable prospective payment designs.***

### **Support Increases in Medicare Payments for Primary and Comprehensive Care Services:**

The 2021 Medicare Physician Fee Schedule (MPFS), set to go into effect on January 1, 2021, makes historic improvements in Medicare physician payment policies to support primary care and improve Medicare coverage of telehealth services. These improvements include higher payments for patient office visits, vaccine administration, and care coordination, as well as additional payment to reflect the unique complexity of the outpatient visit codes, while reducing documentation requirements that take time away from patients.

Medicare has long undervalued outpatient evaluation and management (E/M) services, such as office visits and care management services, in the MPFS. Such services are predominantly provided by internal medicine physicians and internal medicine subspecialists, family physicians, and pediatricians for children and adolescents (many non-Medicare payers base payment on the MPFS), although many other specialists also provide E/M services. The direct result is fewer physicians going into primary care and related disciplines.

The 2021 increases for outpatient E/M services were developed and approved by the physician community, with representation from every medical specialty. The finalized higher values reflect the results of a robust survey and subsequent vote of more than 50 specialty societies, who all agreed that outpatient E/M services were undervalued and that the new values accurately captured the increasing complexity and intensity of care provided during office visits. The 2021 changes also include an add-on code to reflect the higher level of complexity and intensity involved in office visits, particularly when provided by primary care and certain specialty physicians. These improvements provide much needed increases for primary and comprehensive care services at a time when practices are under severe financial stress due to lost revenue from COVID-19. Most importantly, these changes will help the tens of millions of Medicare patients who rely on their primary care internist, internal medicine subspecialist, or family physician not only for diagnosis and treatment of COVID-19 and related conditions, but also to make up for delays in needed care when they were unable to come into their doctor's office. Studies show that patients who reside in localities with more primary care physicians have better outcomes, increased longevity, lower costs, and reduced preventable hospital and emergency room admissions.

- ***Congress should urge CMS to move forward with fully implementing the 2021 outpatient E/M changes. These changes include increasing the relative value of outpatient Evaluation and Management services, vaccine administration, and care coordination, as well as an add-on code to reflect the unique complexity of visits especially when provided by primary care and certain specialty physicians, and the addition of services to the Medicare telehealth list effective January 1, 2021.***

The Medicare statute requires that the annual changes made to the MPFS are budget neutral. To achieve this, increases in the Relative Value Units (RVUs) for physician services in the fee schedule must be offset by an across-the-board reduction in the conversion factor, which is multiplied by the relative value of each service to determine the Medicare payment rate. The 2021 conversion factor is estimated to be about 11 percent lower than the 2020 conversion factor. While physicians providing undervalued outpatient E/M services will see long overdue improvements in overall payments even with the lower conversion factor, others who do not bill for many E/M services will see reductions in their overall payments. Waiving budget neutrality for the 2021 MFPS would appropriately eliminate the reductions for physicians facing cuts, and support primary care and other physicians who provide mostly outpatient E/M visits by eliminating the BN cuts that reduce the payment increases for the outpatient visit codes and other E/M services.

- ***Congress should ensure that any proposed legislation to address the cuts for some services resulting from budget neutrality is fair to all services and specialties, does not distort relative values and actual payments as determined through the usual regulatory process with public comment and input from physicians, and does not disadvantage primary and comprehensive care services compared to other services.***

#### **Enact Medicaid Pay Parity:**

The Medicaid program provides health insurance to one in five Americans and nearly 40 percent of all children. On average, a clinician treating a Medicaid enrollee is paid about two-thirds of what Medicare pays for the same services and only half of what is paid by private insurance plans. Lower payment rates in Medicaid have historically created substantial barriers to accessing various health care services. Ensuring parity with Medicare payment rates will help eliminate these barriers and increase access to care for people with Medicaid coverage.

In 2013 and 2014, Congress required states to raise Medicaid payment rates for primary care services equal to Medicare rates. Even though access improved, for example office-based primary care pediatricians increased their participation in the Medicaid program, this increase has since expired. Members of Congress should cosponsor and pass legislation that provides pay parity for primary care services under Medicare and Medicaid:

- ***The Kids Access to Primary Care Act, H.R. 6159;***
- ***The Ensuring Access for Women's and Children's Act, S. 4088.***

These bills would ensure this pay parity for vital primary care services during this pandemic, when patients so desperately need access to their primary care physicians, but also beyond.

#### **Increase Access to Immunizations:**

There is an urgent need to support the nation's immunization infrastructure and the physicians who deliver needed vaccinations to America's children and families. Unfortunately, vaccination rates have significantly declined since the beginning of the pandemic as visits to primary care physicians have dropped. We call on Congress to:

- ***Urge CMS to immediately implement the vaccine administration payment increases proposed in the 2021 MPFS, as noted above;***
- ***Enact the Vaccine Awareness Campaign to Champion Immunization Nationally and Enhance Safety (VACCINES) Act, H.R. 2862, to improve the rate of vaccinations in this country through increased awareness of the public health benefits of immunizations, and fund activities such as communications campaigns to restore public confidence in the safety of receiving medical care during the pandemic and to encourage individuals to receive needed preventive care and vaccines.***