American College of Physicians
Leading Internal Medicine, Improving Lives

Improve Payment Policies to Support Primary and Cognitive Care
April 14, 2021

The 2021 Medicare Physician Fee Schedule (MPFS) included historic improvements to Medicare physician payment policies for outpatient comprehensive primary and cognitive care at a time when practices are under severe financial stress and at risk of closing due to lost revenue from COVID-19. Congress likewise has played an important role in helping to augment payment for primary and cognitive services through the Consolidated Appropriations Act of 2021, H.R. 133, as enacted in December of 2020. ACP appreciates these actions taken by the executive and legislative branches, as detailed below, but more is needed to protect and bolster investment in primary and comprehensive care both in Medicare and Medicaid. ACP urges Congress to act on the following recommendations:

Preserve and Protect Payment for Evaluation and Management (E/M) Services (Office-Based Visits)
Medicare has long undervalued E/M services, such as office visits and care management services, in the MPFS. At the end of last year, the Centers for Medicare and Medicaid Services (CMS) approved a 2021 MPFS Final Rule that provided a much-needed increase in payment for undervalued E/M services provided predominately by internal medicine physicians (internists), family physicians, and cognitive care physicians. ACP applauded this action. This long overdue payment increase for E/M services is essential to recognizing the value of primary and comprehensive care, has been many years in the making, was developed with the input and support of all physician specialties, and is imperative to support our internists and their patients, especially during these difficult times.

Federal law requires that any increases to physician services in the MPFS final rule (such as those applied to E/M services in the 2021 MPFS) must be offset by an across-the-board budget neutral (BN) reduction to all services paid under the fee schedule, to keep overall spending budget neutral. The 2021 MPFS rule would have imposed a substantial BN adjustment, with physicians providing undervalued E/M services seeing major improvements, while others who do not bill for E/M were facing reductions in payment for other services in Medicare. ACP was pleased that at the end of last year, Congress passed legislation, H.R. 133, the Consolidated Appropriations Act of 2021, that included a provision providing for a 3.75 percent increase to ***ALL*** services which has and will help to mitigate a substantial portion of the cuts that were expected from budget neutrality while further increasing payments to frontline primary and comprehensive care physicians.

What is ACP asking of Congress?
ACP urges Congress to:

- **Preserve and protect the increases in relative values and payments for long undervalued E/M services (office-based visits) codes in Medicare that were implemented on Jan 1 of this year as finalized by the CMS in the 2021 Medicare Physician Fee Schedule as well as the 3.75 percent increase to all physicians services that was applied to the fee schedule this year, as a result of the passage of H.R. 133, the Consolidated Appropriations Act of 2021, COVID Relief legislation.**

- **Enact legislation to prevent the budget neutrality reduction in Medicare Physician Fee Schedule payments in CY 2022, including for inpatient and outpatient services and related services. Any legislation to address budget neutrality should incorporate all physician services, and the specialties providing them, equitably; so**

that budget neutrality relief does not preferentially prevent BN cuts to non-E/M services while allowing them to go into effect for E/M services.

Ensure Pay Parity for Primary Care Services under Medicare and Medicaid

Primary care clinicians commit themselves to a long-term relationship with all their patients — including Medicaid beneficiaries — and provide not only first-contact and preventive services, but also the long-term care for chronic conditions that minimizes hospital admissions and reduces costs to the system. Increasingly inadequate Medicaid payments impede the ability of clinicians and other providers to accept more Medicaid patients, particularly among small practices, and threatens the viability of practices serving areas with a higher proportion of Medicaid coverage. Lower payment rates in Medicaid have historically created substantial barriers to accessing various health care services. Congress took action to raise Medicaid primary care payment rates to Medicare levels in 2013 and 2014, with the federal government paying 100 percent of the increase. Access improved as a result: for example, the policy change led office-based primary care pediatricians to increase their participation in the Medicaid program. Unfortunately, lawmakers failed to reauthorize the payment increase after 2014. The Kids' Access to Primary Care Act would bring Medicaid payments for primary care services back in line with Medicare payment levels, while also expanding the list of eligible clinicians to ensure that people with Medicaid can access the care they need.

What is ACP Asking of Congress?

ACP urges Congress to pass legislation that addresses payment inequities for primary care services under Medicaid as compared to Medicare. Specifically, ACP calls on Congress to:

- **Pass the Kids' Access to Primary Care Act (H.R. 1025) that would achieve payment parity for primary care services under Medicaid and Medicare**.

Quality Payment Program

The Medicare Access and CHIP Reauthorization Act of 2016 (MACRA) established the Medicare Quality Payment Program (QPP), which rewards clinicians for participating in a class of Alternative Payment Models (other than the traditional fee-for service model) that meet rigorous criteria for technology, quality, and financial risk, known as *Advanced APMs*. This pandemic has highlighted the benefits that physicians who practice in APM's offer to their patients including: improved care coordination and care management; and increased access to telehealth services. In addition to any model specific payments, clinicians who participate in Advanced APMs, in a substantial way, can earn a five percent Medicare bonus (set to expire at the end of next year) if they meet certain thresholds of patients or payment through their work in this model. We are concerned that if physicians are not assured that this five percent bonus will be available after next year, they will be less inclined to invest in the necessary infrastructure transformation in their practices to deliver care in an Advanced APM.

What is ACP asking of Congress?

Specifically, we urge Members of Congress to enact legislation that would:

- **Extend the five percent bonus beyond 2022 that physicians receive if they meet performance expectations in advanced APMs.**

Improve Access to Telehealth Services

ACP offered our extensive views to Congress on the importance of telehealth, an essential component of health care delivery during this pandemic, and the need to expand and extend those services beyond the public health emergency (PHE). ACP supported CMS' decision to cover some audio-only services under Medicare during the PHE, reimbursing for both telehealth services and audio-only services as if they were provided in person. These services are instrumental for patients who do not have the requisite broadband/cellular phone networks, or do not feel comfortable using video visit technology. ACP is discouraged to learn that CMS will not continue coverage of telephone evaluation and management (E/M) services beyond the PHE, despite mounting evidence about the effectiveness of expanding coverage for these services.

What is ACP Asking of Congress?

ACP believes that existing PHE flexibilities and waivers concerning telehealth should be continued without expiration. Specifically, we urge Congress to enact legislation this year that would:

- **Allow pay parity for audio only phone calls beyond the COVID-19 Public Health Emergency to support making telehealth an ongoing and continued part of medical care now and in the future.**

- **Remove the requirement for the use of two-way, audio/video telecommunications technology so that telephone E/M services can continue to be provided to Medicare beneficiaries.**