

Support and Sustain Primary and Comprehensive Care

Ensure Access to Care by Supporting Positive Payments for Primary, Comprehensive and Cognitive Care

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Background

The COVID-19 global pandemic is taking a toll on virtually all aspects of the U.S. economy and health care system. The virus is testing the resolve of the medical community not only in how to treat and respond to the disease but in how to ensure timely access to care. Primary care physician practices are under increasing financial strain as a result of the pandemic, including internal medicine specialists who are providing primary and comprehensive care to patients, many of whom are suffering from the virus. Many are just weeks away from closing their doors due to drastic declines in patient volume. This issue brief outlines the ways that Congress can act to help sustain the viability of primary care practices throughout this national emergency and into the future.

Provider Relief Fund (PRF): The U.S. Department of Health and Human Services (HHS) has distributed billions of dollars to physicians and hospitals from the Provider Relief Fund (PRF) created by the CARES Act, H.R. 748, and will soon be announcing how the remaining funds will be distributed. Some small and medium size physician practices have also received federal loans from the Small Business Administration through the newly-created Paycheck Protection Program that provides forgivable loans to eligible entities struggling financially as a result of the pandemic. However, more targeted financial assistance is needed specifically for primary care physician practices because they have not been receiving adequate funding through these programs. ACP believes a targeted allocation is needed from the PRF to primary care physician practices, similar to the targeted allocation for rural hospitals. The amount should be sufficient to offset 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.

Evaluation and Management Services: Evaluation and management services (office based visits) provided by internal medicine, family physicians, pediatricians, and internal medicine subspecialists have long been undervalued by Medicare and other payer; Medicaid payments for primary care services are even less than Medicare rates. At the same time, physicians continue to face excessive documentation requirements, imposed by the federal government, in order to be paid for such services. The direct result of that has been fewer physicians going into office-based internal medicine and other primary care and mostly cognitive disciplines.

Fortunately, the Centers for Medicaid and Medicare Services (CMS), which determines the value of each physician service every year under Medicare, issued a final rule in 2020 that will provide an increase in payments for physicians' undervalued Evaluation and Management (E/M) services, with an additional add-on for complex visits, effective in 2021. The rule also reduced the time physicians must spend on unnecessary documentation. ACP fully supports implementation of these E/M increases, as scheduled for Jan. 1, 2021, without any delay or phased-in approach.

Medicaid Pay Parity: ACP has long-standing policy that supports ensuring that Medicaid payment for primary care services is equal to Medicare rates for the same services. 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. 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.

Telehealth Services: ACP was pleased by the April 30, 2020, announcement from CMS that they will begin paying for telephone calls between patients and their physicians at a rate equal to in-office visits. Not reimbursing for telephone

visits—at a payment level on par with in-person visits—disproportionally affected physicians and practices taking care of elderly and underserved patients. Many of these patients are managing multiple chronic conditions, do not have smartphones, or may have a smartphone, but do not know how to use video conferencing platforms. Now, as physicians convert in-person visits to virtual ones in response to the Coronavirus public health emergency, practices are experiencing huge reductions in revenue while still having to pay rent, meet payroll, and meet other expenses without patients coming into their practices. ACP believes all payers should cover and reimburse physicians for audio-only telephone visits at the same rate as an established patient in-person visit. This will ensure that patients without advanced video-sharing capabilities are able to get ongoing, continuous, and coordinated care virtually while helping to sustain physician practices.

Congressional Environment

Congress has introduced, and in some cases passed, legislation this year addressing some of the pressing needs faced by physician practices, largely as a result of the COVID-19 crisis. ACP appreciates those efforts, and those of the administration as well, which have included:

- **Suspension of Medicare Sequestration Payment Cuts:** Congress passed H.R. 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act that temporarily lifts the Medicare sequester, which would have reduced payments to physicians, hospitals and other “providers” by 2 percent, from May 1 through December 31, 2020, boosting payments for hospital, physician, nursing home, home health, and other care. The Medicare sequester would be extended by one-year beyond current law to provide immediate relief without worsening Medicare’s long-term financial outlook. The CARES Act was signed into law.
- **The Accelerated and Advance Payment Program:** The CARES Act also expands the benefits of the Accelerated and Advance Payment Program for all physicians that participate in the Medicare program. Typically, Accelerated and Advance Payment Program benefits are offered to provide emergency funding through CMS to physicians who have experienced financial hardship as a result of a natural disaster or national emergency. The accelerated and advance payments allows physicians to receive advanced funds from the Medicare program that are required to be repaid after 120 days. Unfortunately, on April 26th of this year, CMS decided to suspend the Accelerated and Advance Payment Program and will be re-evaluating all pending and new applications for accelerated payments. Some practices have benefited from the PRF and other programs authorized by Congress and administered by CMS; however, these programs have not been sufficient to make practices whole for lost revenue and increased costs associated with the COVID-19 emergency. ACP has urged CMS and Congress to reinstate the Advance Payment Program without further delay and make improvements that will allow more time for physicians to repay the advance payments and lower the interest rate for loans made under the program to one percent instead of the current 10.25 percent.
- **Grant and Loan Assistance to Physician Practices:** The CARES Act, which is now law, provided billions of dollars in both emergency grants for eligible entities impacted by COVID-19 (i.e. Provider Relief Fund) and loan assistance through the Small Business Administration to help employers with their cash flow during the COVID crisis. While these programs have been beneficial in providing financial relief to some practices, not enough funding is reaching primary care practices, especially smaller and medium size practices.
- **Legislation that Provides Pay Parity for Primary Care Services under Medicare and Medicaid:** The Affordable Care Act (ACA) included a provision that required states to raise Medicaid payment rates for primary care services equal to Medicare rates in 2013 and 2014 but this provision expired after those two years and was not renewed by Congress. In June 2020, the House passed legislation, the Patient Protection and Affordable Care Enhancement Act (H.R. 1425), that includes a section that would reinstate and reauthorize, for four years, through Sept. 30, 2024, the ACA’s increased payments for primary care physicians who treat Medicaid beneficiaries to require that they are paid no less than the Medicare pay rate. View ACP’s [letter](#) on H.R. 1425.

Legislation to extend Medicaid pay parity at Medicare rates for primary care services has also been introduced in the House and Senate, the Kids Access to Primary Care Act (H.R. 6159), as introduced by Rep. Kim Schrier (D-

WA), and the Ensuring Access for Women's and Children's Act (S. 4088), as introduced by Sens. Sherrod Brown (D-OH) and Patty Murray (D-WA), would ensure this pay parity for vital primary care services during this national pandemic, when patients so desperately need access to their primary care physicians, but also beyond. View ACP's [letter](#) of support for H.R. 6159.

Despite these advancements, more needs to be done to ensure the financial stability of practices through the passage of legislation that increases the value of primary care services in Medicaid and Medicare during this national emergency and in the future.

Request of Congress

As Congress develops additional legislation to address the COVID-19 crisis, ACP urges inclusion of the following policies to help primary care physician practices stay open and viable and ensure an adequate physician workforce:

- **Require that the U.S. Department of Health and Human Services (HHS) make a targeted allocation out of the Provider Relief Fund (PRF) to primary care physicians and their practices to offset lost revenue and increased expenses, sufficient to keep their doors open;**
- **Urge CMS to implement increases in Medicare payments for undervalued Evaluation and Management (E/M) Services and complex visits**—as included in the 2020 Medicare Physician Fee Schedule Final rule—on January 1, 2021, as scheduled without any delay or transition;
- **Cosponsor and pass legislation that provides pay parity for primary care services under Medicare and Medicaid**, such as introduced in the House, the Kids Access to Primary Care Act (H.R. 6159), by Rep. Kim Schrier (D-WA), and as introduced in the Senate, the Ensuring Access for Women's and Children's Act (S. 4088), by Sens. Sherrod Brown (D-OH) and Patty Murray (D-WA);
- **Require that all payers pay for audio-only phone calls and telehealth at the same rate as in-person visits.**