December 8, 2009

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Rangel
Chairman
House Ways & Means Committee
Washington, DC 20515

The Honorable Henry Waxman
Chairman
House Energy & Commerce Committee
Washington, DC 20515

The Honorable George Miller
Chairman
House Education and Labor Committee
Washington, DC 20515

The Honorable Max Baucus
Chairman
Senate Finance Committee
Washington, DC 20510

The Honorable Tom Harkin
Chairman
Senate Health, Education, Labor and Pensions Committee
Washington, DC 20510

Dear Majority Leader Reid, Speaker Pelosi and Chairmen Rangel, Waxman, Miller, Baucus, and Harkin:

On behalf of the 350,000 combined physician and student members of the American Academy of Family Physicians, American Academy of Pediatrics, American College of Physicians, and the American Osteopathic Association, we are writing to applaud you for including measures in both the House and Senate health reform bills to help ensure that patients of all ages have access to a primary care physician. Our organizations represent the overwhelming majority of primary care physicians in the United States. Both H.R. 3962, the Affordable Health Care for America Act, and H.R. 3590, the Patient Protection and Affordable Care Act, would create new programs and expand existing ones to train more primary care physicians and reform Medicare and Medicaid payment policies to recognize the value of care provided by primary care physicians. We also support the goals and key policies in both bills to provide the vast majority of legal residents in the United States with access to affordable health insurance coverage. We write today to share with you our specific recommendations on proposals in H.R. 3962 and H.R. 3590 that we believe must be included in a final health reform bill.

In the way of background, we know that as important and essential as it is to provide all Americans with health coverage that they can afford, access to health care is more than giving someone an insurance card. It requires that patients also be able to find a primary care physician who can provide first contact, comprehensive, continuous, preventive and coordinated care for most of their health care needs; yet the United States is facing a growing shortage of primary care physicians, particularly for adults. In addition, proposals to expand Medicaid coverage to the poor and near-poor will not ensure access if low Medicaid payment rates make it financially impossible for many primary care physicians to accept new

additional Medicaid patients, not to mention straining the current Medicaid programs and their enrollees.

In many areas of the country, patients enrolled in Medicare are also finding it difficult to find a primary care physician who is accepting new patients, a problem that will get worse as more patients reach the age of Medicare eligibility and many primary care physicians themselves reach retirement age, while at the same time the numbers of medical students choosing a primary care specialty has reached an all-time low.

The growing crisis in access to primary care will only get worse if more than 30 million previously uninsured persons become eligible for coverage absent a robust set of public policies to increase the number of primary care physicians. This has certainly been the experience in the Commonwealth of Massachusetts, where primary care physicians, who already are working at full capacity, are finding it difficult to accept more patients into their practices. As a result, patients in Massachusetts, especially those who are newly insured, often have to wait months to get an appointment with a primary care physician.

Both H.R. 3962 and H.R. 3590 would begin to put in place a framework to ensure that all patients will have access to a primary care physician of their choice. As both the House and Senate craft a final health reform bill, we urge you to ensure that the following primary care provisions are included:

1. **Increase Medicaid payments for primary care services.** We strongly support the proposal in the House bill, H.R. 3962, to increase Medicaid payments for primary care to no less than the comparable Medicare rates within four years, and we urge both the House and Senate to include this in the final bill. Since both the House and Senate bills would add tens of millions of low-income persons to Medicaid, it is absolutely critical that Medicaid payments to primary care be increased to at least 100 percent of Medicare rates to ensure that primary care physicians will be able to afford to accept new Medicaid patients into their practices. In the context of pediatrics, where access to subspecialty physicians is critical for the sickest children, the provision focuses on increasing payment for Evaluation and Management codes, which are often used by subspecialists. The provision is essential in immediately improving access to services for a host of states and current Medicaid enrollees that are also cutting Medicaid services and payments. Once new populations are added after the Exchange is established, physicians must be ready and willing to accept them, and this provision will go a long way toward addressing Medicaid stigma in the physician community. Without it, expanding Medicaid stands a great chance of failure.

2. **Increase Medicare payments to primary care physicians.** The House and Senate bills would provide additional "bonus" payments to designated services by primary care clinicians. Eligibility for the bonus is based on the specialty of the physician—general internal medicine, pediatrics, family medicine and geriatrics—and whether they meet a percentage threshold of billings for the designated primary care services. We recommend that the House and Senate provisions, which differ on the percentage amount of the bonus and the designated services

that would be eligible for the bonus and the criteria to qualify for the bonus, be combined and modified to adopt the Senate's 10 percent increase in payments for designated services, instead of the 5 percent in the House bill, but that the bonus apply to designated primary care services as defined by the House, which includes office, nursing home, domiciliary, home, and hospital visits. The Senate bill excludes hospital visits from the definition of primary care services, even though a hallmark of primary care is to provide continuous and comprehensive care to patients in all heath care settings, including when a patient is admitted to the hospital. We also urge you to accept the House's threshold for eligibility (50 percent of the physicians' total Medicare billings must be for such designated primary care services, including hospital visits) over the Senate's threshold (60 percent of the physician's total Medicare billings must be for designated primary care services, excluding hospital visits), since the Senate threshold will likely exclude many primary care physicians who continue to care for their patients during a hospital stay from qualifying for the bonus. We also urge that the increased primary care payments be permanent, as the House bill provides, instead of sunsetting after five years as the Senate bill proposes. We also support the House provision to require coverage of preventive services under Medicaid and CHIP.

As Congress enacts payment reforms to support the value of primary care, **it is imperative that the Medicare sustainable growth rate (SGR) formula be repealed and replaced with a new system that will provide predictable updates that take into account increases in physicians' practice costs**. Higher payments for primary care will not be effective if built upon a crumbling foundation of negative Medicare payment updates for as far as the eye can see. We appreciate the action taken by the House of Representatives to replace the SGR with a new updated system that recognizes the cost and value of providing primary care and prevention services. We call on the Senate to do the same.

3. **Expand pilot-testing and implementation of the Patient-Centered Medical Home (PCMH) under the Medicaid and Medicare programs and by qualified private insurers.** We urge you to include the House's proposal to fund a Medicare pilot-test of two versions of the PCMH, an independent practice model and a community-based model. We recommend that the patient eligibility threshold for the independent practice model be changed from the sickest 50 percent of patients with the more inclusive threshold of "one or more chronic conditions." We are pleased that the Senate bill's Center for Medicare and Medicaid Innovation references the medical home as one of the models that the Center would be required to consider, but we recommend that the House's more specific authorization for two new Medicare pilots be added to the final bill. We support the creation of a new Medicaid medical home option as proposed in both the House and Senate bills but, in order to facilitate a true transformation of the delivery system, recommend that the option not be limited to high need and high cost patients.

4. **Expand existing and enact new programs to recruit, train and retain primary care physicians.** We support provisions in the House bill to increase funding for National Health Services Corps (NHSC), create a part-time service option in the NHSC for half the reward amount, and increase

full time awards from $35,000 to $50,000. We support the House's proposal for a Frontline Health Providers Loan Repayment Program for needed specialties including primary care that are not in Health Professional Shortage Areas (90 percent of awards are for primary care providers). We support the House's proposal to increase Faculty Loan Repayment awards from $20,000/year to $35,000/year. We also support the House's proposals for primary care training and enhancement grants, and grants for interdisciplinary training under Title VII. We are pleased that the Senate bill permanently reauthorizes the National Health Service Corps program; reauthorizes Title VII programs, including Sec 747, Primary Care Training and Enhancement programs, and interdisciplinary training programs; reauthorizes and increases the Faculty Loan Repayment awards; and reauthorizes Scholarships for Disadvantaged Students. We are also pleased that the Senate bill includes loan repayment and other provisions to address workforce, and therefore access issues regarding pediatric subspecialties. We recommend, though, that a final bill include the House's proposal to increase the NHSC award amounts, create a part-time NHSC option, and establish a Frontline Health Loan Repayment Program. We support the Senate's proposal to fund a primary care extension program to educate and provide technical assistance to primary care providers about evidence-based therapies, preventive medicine, health promotion, chronic disease management, and mental health, and urge that this be included in a final bill. We also support the creation of a workforce commission as proposed in both the House and Senate bills but recommend that the Secretary be required to appoint at least one practicing physician representing a primary care specialty to the Commission.

5. **Increase Graduate Medical Education residency positions in primary care and reduce barriers to training in community-based residency programs.** Both the House and Senate bills would authorize the redistribution of unused residency positions to increase the numbers of primary care residency positions. Although we believe that this would be a useful start to train more primary care physicians, we do not believe that it will, by itself, create enough capacity to meet the growing demand for primary care. We urge that the final bill provide for a substantial increase in IME and GME funding to increase the number of primary care residency positions to meet anticipated demand. We strongly support reducing barriers and providing more opportunities for primary care training in community-based programs but urge that funding for such training not dilute funding for Title VII and other effective primary care training programs. We also support the House provision that would provide statutory authority for the use of Medicaid funds for graduate medical education.

6. **Definition of primary care specialties.** We ask that physicians who are trained in a combined medicine-pediatrics program (med-peds) be included in the definition of primary care physicians and specialties wherever referenced in the legislation. Physicians with combined training in pediatrics and internal medicine are an important part of the primary care workforce treating children, adolescents and adults.

Our organizations believe strongly that patients benefit when they have a trusting and ongoing relationship with a primary care physician who has the extensive training and skills required to provide comprehensive, continuous and longitudinal care for the vast majority of their health care needs, such as through a Patient-Centered Medical Home. We recognize that other health professions have a role in working with primary care physicians to provide team-based care, consistent with each profession's training and skills. We urge you to ensure that language in the final bill specify that each profession involved in providing team-based primary care must act consistently with their licenses as determined by state law. In addition, the contributions of other health professions cannot substitute for ensuring that patients have access to a primary care physician.

In conclusion, our organizations congratulate you for including important policies to support primary care in both the House and Senate bills. We offer the above recommendations in the spirit of ensuring that the final bill includes ideas from both bills that will have the greatest impact on ensuring that patients of all ages will have access to a primary care internist, family physician, pediatrician, geriatrician, or a physician trained in both internal medicine and pediatrics, at the same time as affordable coverage is made available to all legal residents in the United States.

Sincerely,

American Academy of Family Physicians

American Academy of Pediatrics

American College of Physicians

American Osteopathic Association