



May 22, 2020

The Honorable Alex M. Azar II
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Secretary Azar:

On behalf of the American Academy of Family Physicians and the American College of Physicians (ACP), we are 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, we urge 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.

We have heard from many family physicians and internists 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, we believe it is urgent that HHS expressly prioritize primary care physicians and their practices as the remaining PRF funds are disbursed.

According to a recent survey¹, 47% of primary care clinicians report they have laid off/furloughed staff, two-thirds report that less than half of what they do is reimbursable, and 45% are unsure if they have the funds to stay open for the next four weeks.

To date, the majority of financial relief efforts have not focused on primary care or the ambulatory health care delivery system. We understand why so much early attention was made to stabilize and financially support hospitals on the frontlines of the pandemic. Hospitals are an important component of our health care system, but they are not the sum total of how health care is delivered. In fact, according to statistics from the Robert Graham Center for Policy Studies in Family Medicine and Primary Care for 2018, a little less than 22 million people — about 7% of the population — received care in a hospital compared to the more than 190 million people — roughly 60% of the population — who received care

from a family physician. Furthermore, in a given year, roughly 260,000 people are hospitalized for upper respiratory infections (URIs). By contrast, 19.5 million patients are seen by primary care physicians for the same condition suggesting that a majority of COVID-19 patients will ultimately be treated in the primary care setting. These physicians, and their patients, urgently need more help from HHS.

Specifically, we urge HHS to make a targeted allocation out of the PRF expressly to primary care physicians or the primary care physician practice recognized by the Centers for Medicare and Medicaid Services (CMS), similar to the targeted allocation for rural hospitals, sufficient to keep their doors open, by offsetting 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. Such a targeted allocation should also include payments for direct increased costs incurred by primary care practices for Personal Protective Equipment and other supplies and costs associated with COVID-19.

In the background materials regarding the rural targeted allocation, HHS stated 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 the primary care specialties — family medicine, internal 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.

We recommend that HHS consider two options for distributing a targeted allocation to primary care:

Provide a one-time payment that is equal to the total Medicare fee-for-service payments distributed to each eligible NPI and/or TIN for July through December 2019 multiplied by 3 to accommodate for lost revenue from Medicaid, Medicare Advantage, and commercial insurers.

[Total Medicare FFS Payments (July – December 2019) x 3 = Payment per primary care physician]

OR

Provide 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. This could be distributed as a one-time payment, on a quarterly basis, or on a per patient per month basis, starting immediately.

Either of these approaches, we believe, would provide sufficient funding for primary care practices to offset much of their lost revenue from all payers, helping them keep their doors open at least through the end of 2020.

We also urge 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 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. We have long supported programs such as those from the CMS Innovation Center to provide PPPM payments to primary care and strongly encourage voluntary expansion of models to make PPPM payments to primary care adjusted for patient demographics.

In conclusion, we urge you to take immediate action to preserve the nation's primary care system by implementing the policies recommended in this letter to prioritize, support and sustain primary care. Failure to act in a meaningful way will result in a step back the progress to effectively manage chronic diseases, vaccine adherence, and overall population health and wellness. If you have any questions about our recommendations, please contact ACP's Shari Erickson (serickson@acponline.org) and AAFP's Stephanie Quinn (squinn@aafp.org). Thank you for your consideration.

Sincerely,

American Academy of Family Physicians
American College of Physicians

¹ Etz, Rebecca "Quick COVID-19 Primary Care Survey" <https://www.pcpcc.org/2020/04/23/primary-care-covid-19week-6-survey>