



March 20, 2023

Senator Bernie Sanders
Senate HELP Committee Chair
U.S. Senate
332 Dirksen Senate Office Building
Washington, D.C. 20510

Senator Bill Cassidy, MD
Senate HELP Committee Ranking Member
U.S. Senate
455 Dirksen Senate Office Building
Washington, D.C. 20510

Re: Request for Information on the Health Care Workforce

Dear Senate HELP Committee Chair Sanders and Ranking Member Cassidy:

Thank you for the opportunity to comment on the **Request for Information (RFI) on the health care workforce**, including drivers of the health care workforce shortage and potential solutions. We appreciate your leadership in this initiative to address the many challenges facing the health care workforce.

The Partnership to Empower Physician-Led Care (PEPC) is a membership organization dedicated to supporting value-based care to reduce costs, improve quality, empower patients and physicians, and increase access to care for millions of Americans through a competitive health care provider market. We believe that it is impossible to achieve truly value-based care without a robust independent practice community. Our members include Aledade, American Academy of Family Physicians (AAFP), California Medical Association, and Medical Group Management Association (MGMA). We also have individual and small medical group supporters across the country, many of whom are independent physicians or practices and wish to remain so.

We believe that physicians – especially independent physician practices – are the lynchpin of our nation’s health care system. Independent physicians have repeatedly demonstrated their superior ability to generate positive results in value-based care arrangements, both in improved health outcomes and reduced costs. However, independent physicians and practices are facing major workforce challenges stemming from health care consolidation, inadequate reimbursement, and entrenched fee-for-service (FFS) policies, all of which are contributing to alarming rates of provider burnout. A 2022 [survey](#) found that over 50 percent of physicians were burned out and nearly one-quarter reported feeling depressed. Internal medicine (60 percent) and family medicine (57 percent) physicians having among the highest rate of burnout, which is particularly alarming as we are [expected](#) to face a shortage of primary care physicians ranging from 21,000 to 55,000 by the year 2033.

Our comments provide insight into these challenges, and how they can be addressed by advancing policies that promote provider competition, support robust Medicare FFS reimbursement as a platform for value-based care, and support independent physicians in the transition to risk. In our vision of the future, this important piece of the health care system not only survives, but thrives as a result of policies that place independent physicians on a level playing field with other providers. We look forward to serving as a resource for you on these topics as you consider legislative priorities moving forward.

Promoting Competition in Health Care

Increasing consolidation in the hospital and provider markets creates greater urgency to ensure the survival of independent practices. In recent years, there has been a historic pendulum swing between employed physicians and private practice. In 2021, for the first time, the American Medical Association



found that less than 50 percent of physicians in the U.S. are in independent practice. There is widespread recognition that provider consolidation leads to higher costs without measurable improvements in quality.

However, the impact on physicians is often overlooked. Consolidation can lead to workflow disruptions, organizational changes, and technological transitions that increase physician administrative burden and workloads. This is especially concerning given that bureaucratic tasks are the [leading cause](#) of physician burnout. There is also some [evidence](#) that, despite higher prices after consolidation, wages actually diminish. Below, we highlight important actions Congress can take to promote competition in health care through Medicare payment reform and appropriate anti-trust oversight.

Site Neutral Payments

We believe that beneficiaries and the physicians treating them should have their choice of lower-cost sites of service and not be encouraged to receive or provide care in higher paid settings solely for financial reasons. In addition to the negative impact on beneficiaries through increased cost sharing and reduced choice, payment disparities between sites of service make it difficult for independent practices to recruit and retain new physicians. It also negatively impacts the ability of independent practices to negotiate with payers, as physician practices purchased by hospitals can get higher payment rates from payers, both from facility fees and the greater leverage that hospitals have with private payers in negotiating payment rates for their employed physicians. The confluence of these factors makes it difficult for independent practices to thrive, let alone invest the time and resources needed to successfully transition away from FFS. **Congress should build upon existing site-neutrality rules and create more fairness in the payment system by passing legislation to ensure CMS pays the same rates across practice settings. Site neutral policies should be accompanied by an increase to reimbursement for Part B services given that reimbursement for these services is currently inadequate.**

Robust Medicare Reimbursement

To give independent practices and physicians a chance to remain independent if they choose to, reimbursement structures for federal programs such as Medicare must keep pace. This is true even as organizations like ours advocate for value-based care models as a path to sustainability for independent practices. Because many value-based care models continue to be built on the FFS chassis, Medicare FFS payment rates and policies are integral to the success of CMS' value-based care models. FFS must provide a sustainable platform for providers to deliver care in a way that promotes clinical and financial accountability.

A key part of providing a sustainable platform for accountable care is ensuring that Medicare FFS reimbursement rates keep pace with inflation and rising costs. The services of doctors, nurses and other skilled clinicians have been systematically undervalued by the Medicare program, with the gap between actual costs and reimbursed costs widening over time as costs increase. Failure to update these pricing inputs over time has contributed to the increasingly difficult climate for independent practices. It has led to an imbalance across practice settings with hospitals, skilled nursing facilities and other facilities receiving annual Medicare payment updates to account for increasing costs while physicians and other clinicians are forced to figure out how to do more with less.

Congress should provide certainty surrounding provider reimbursement to ensure patients continue to have access to the services and care they need. This includes investing in the Medicare physician fee schedule to ensure that Medicare providers are appropriately reimbursed for their services and to ensure that reimbursement accounts for rising overhead costs and inflation.



Antitrust Enforcement

Consolidation in the health care sector continues at an alarming rate. A January 2022 [analysis](#) found a nearly ten percentage point increase in the percentage of hospital and corporate entities owning physician practices in a two-year period, between January 2019 and January 2021. The rate of these acquisitions significantly increased in 2020, at the onset of the pandemic. While traditionally consolidation has occurred through hospitals and health systems merging or purchasing physician practices, new market forces are creating a murkier picture. While hospital ownership of physician practices increased by eight percent between January 2019 and January 2021, ownership by corporate entities, such as insurers and private equity firms, increased by more than 50 percent. **We urge Congress to ensure that oversight agencies such as the Federal Trade Commission have the resources needed to be effective in researching and pursuing new and develop issues related to health care consolidation and competition.**

Supporting Independent Physicians in Value-Based Care

Not only do value-based care models incentivize coordinated care and ensure that patients get the right care in the right setting, they also offer a solution to many of the challenges facing the physician workforce. Burnout has been [associated](#) with low control and autonomy, a lack of deep relationships with patients, and lack of adaptive resources. Value-based care, and the additional flexibility and financial stability it provides, offers a solution by emphasizing coordinated and preventive care, allowing providers to drive higher quality care and connect with their patients on a more personal level.

Increasing consolidation in the provider market creates greater urgency to ensure that value-based care is a path to sustainability for practices and physicians who are independent and wish to remain so. While there has been great momentum in supporting value-based care at the federal level, many barriers still exist, particularly for independent physicians and practices. Access to capital continues to be a significant barrier to independent physicians and practices entering value-based care models. Unlike physicians employed by large hospitals or health systems or physicians working in medical groups with access to investment dollars, many small, rural, and independent practices and physicians are resource-constrained in their ability to make the investments needed to transition off the FFS chassis. Given the time lag between when practices begin making investments and when they can realistically expect to receive sufficient savings to recoup their investments, organizations with less access to capital may be less likely to enter or sustain participation in shared savings initiatives. **We encourage Congress to work with CMS to ensure that their work is designed with physicians in mind, including prioritizing physician-led alternative payment models (APMs) and providing physicians a glide-path to make the transition to value-based care more attainable.**

Thank you in advance for your consideration of these comments. Please do not hesitate to reach out to me if the Partnership to Empower Physician-Led Care can be a resource to you. I can be reached at kristen@physiciansforvalue.org or 202-640-5942.

Sincerely,

Kristen McGovern
Executive Director