



October 5, 2023

Electronically submitted via: [WMAccessRFI@mail.house.gov](mailto:WMAccessRFI@mail.house.gov)

The Honorable Jason Smith  
Chair, House Committee on Ways & Means  
U.S. House of Representatives  
1139 Longworth House Office Building  
Washington, D.C. 20515

**RE: Request for Information: Improving Access to Health Care in Rural and Underserved Areas**

Dear House Ways & Means Committee Chair Smith:

We appreciate your leadership in developing and pursuing legislative solutions to bring new access to care in rural and underserved areas. We agree that health care consolidation is harmful to patients, as the evidence clearly shows that quality decreases and costs increase in areas with a high rate of provider consolidation. We believe that value-based care models are a pathway to create stability and predictability for independent practices, even in the face of rapid consolidation.

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.

It our view that consolidation in the health care sector has put the future of independent practice at risk and in turn jeopardizes equitable access to care in patients' own communities. In 2022, the American Medical Association [found](#) that fewer than 47 percent of physicians worked in private practice, a decrease from over 60 percent in 2012. The situation has only worsened since then, as private equity firms and other players have redefined what consolidation looks like in health care.

The independent physicians and practices that remain 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, ensure robust Medicare FFS reimbursement as a platform for value-based care, and support independent physicians in the transition to greater clinical and financial accountability for their patients.** We look forward to serving as a resource for you on these topics as you consider legislative priorities moving forward.

## **RFI Topics**

### *Sustainable Provider Financing*

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 reimbursement 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 increase 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 adequate reimbursement for Part B Medicare services.**

### *Aligning Sites of Service*

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.

As outlined in a recent Brookings Institution brief, a broader set of site neutral payments would further reduce Medicare spending, beneficiary costs, and incentives for hospitals to purchase physician practices. MedPAC estimates that aligning payments across sites of care for the list of services identified would have saved Medicare \$6.6 billion and beneficiaries an additional \$1.7 billion if in place in 2019, even before accounting for the potential dynamic effects on vertical consolidation.

**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 must be accompanied by an increase to reimbursement for Part B services in the Physician Fee Schedule given that reimbursement for these services is currently inadequate.**

### *Innovative Models*

Our country has been testing various innovative payment and delivery system reform models for decades, which offer a path to improving access to care and patient outcomes in rural and underserved areas. Moving away from utilization-based reimbursement, alternative payment models (APMs) offer providers more stable and predictable financing – which can be the difference between an independent physician keeping his or her door open versus closing or selling the practice.

Value-based care models also allow providers the flexibility to provide whole-person care and treat non-medical drivers of health that contribute to outcomes and costs. This is especially important in rural America where patients may face greater challenges stemming from unique conditions such as a lack of transportation or broadband access.

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. In the recently released 2022 Medicare Shared Savings Program (MSSP) [results](#), physician-led ACOs achieved far greater net savings (\$228 per capita) than hospital-led ACOs (\$140 per capita). However, despite this evidence, we continue to be concerned by the limited number of APMs available to small and independent practices. Models should offer physicians a glide-path to full risk to make the transition to value-based care more enticing and address concerns about accepting full downside risk at the onset. **Congress should work with the Administration to ensure that HHS' delivery system reform efforts are oriented around the provider-patient relationship to the greatest extent possible. This trusted relationship has proven to be a cornerstone of successful value-based care efforts.**

### *Health Care Workforce*

Value-based care models 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. Other challenges include lack of data and IT to generate actionable insights, costs associated with reporting program metrics, keeping track of and understanding ever-changing regulations, and shortages of staff needed to enable success under these models, such as case managers, nurses, etc.

**We encourage Congress to work with CMS to ensure that their work is designed with physicians in mind, including prioritizing physician-led APMs and providing physicians a glide-path to make the transition to value-based care more attainable.** A key component of supporting independent physicians in value-based care is the APM incentive payment, which was provided under the Medicare Access and CHIP



Reauthorization Act (MACRA) and is set to expire at the end of this year. The incentive payments not only encourage physicians and other health care providers to enter models, but also provide additional resources that can be used to expand services beyond traditional FFS – which is especially important for independent physicians and practices who lack the resources of larger groups or health systems. **We urge Congress to extend the APM bonus payment beyond 2023.**

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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](mailto:kristen@physiciansforvalue.org).

Sincerely,

Kristen McGovern  
Executive Director