September 9, 2024

Submitted via regulations.gov

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue SE
Washington, D.C. 20201

Re: **Calendar Year (CY) 2025 Medicare Physician Fee Schedule Proposed Rule**

Dear Administrator Brooks-LaSure,

Thank you for the opportunity to provide comment on the proposed Calendar Year (CY) 2025 Medicare Physician Fee Schedule (PFS) rule. We appreciate your leadership in driving innovation to tackle our health system challenges and promote value-based, person-centered care.

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.

Below are our comments on the CY 2025 Medicare Physician Fee Schedule proposed rule. Our comments specifically focus on how select provisions of the proposed rule will impact health care competition and value-based care opportunities for independent physicians.

Physician Payment Policies

Overall Physician Payment
CMS proposes a PFS conversion factor of $32.36 for CY 2025, a decrease of $0.93 (or 2.80 percent) from the CY 2024 conversation factor of $33.29. PEPC has deep concerns with CMS' proposed decrease in physician payment.

Robust and predictable FFS reimbursement is essential to ensure practices are well-positioned to move into value-based care models that reflect their unique practice and financial circumstances. 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 to survive. 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.

We urge CMS and Congress to work together to ensure a long-term solution to Medicare Part B reimbursement, including an inflation-based update to the conversion factor, to ensure physicians are adequately compensated for their services.

We also recommend that CMS expand upon existing site neutral payment policies, which will create a more level playing field across practice settings. A significant driver of provider consolidation is payment disparities across sites of services, which unfairly penalize independent physicians and practices who receive lower reimbursement than a hospital outpatient department (HOPD) for the provision of an identical service. Patients are also harmed by this through increased cost sharing and reduced choice. 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. The Congressional Budget Office (CBO) has estimated that implementing site neutral payments for all off-campus HOPDs and for certain services at on-campus HOPDs would reduce deficits by about $140 billion over 10 years. **The savings associated with this policy *must* be put back into the fee schedule, as current Part B reimbursement is inadequate.**

Advanced Primary Care Management (APCM) Services
CMS proposes to establish a newly defined set of advanced primary care management (APCM) services that describe a set of care management services and communication technology-based services (CBTS) furnished under a broader application of advanced primary care.

PEPC agrees that it is important to ensure that Medicare payment policies reflect the resources involved in furnishing advanced primary care and build on prior Innovation Center models that address payment for care management services and CTBS. However, we are concerned that this proposal will be infeasible for most independent physicians.

The proposed requirements to bill APCM services present a significant administrative burden, which will be felt disproportionately by small and independent practices who lack the resources of physicians in larger practices and employment arrangements. While we recognize that CMS must ensure practices have adequate advanced primary care capabilities, without upfront resources to support practices in developing and verifying this infrastructure, this proposal will be unworkable for most independent physicians. As CMS notes in the proposed rule, it has seen relatively low uptake of existing care management services. Given the burden associated with billing APCM, relative to the reimbursement amount, we believe the outcome will be similar with APCM.

Further, because most physicians who can feasibly meet the requirements associated with billing APCM services will be those that are part of larger practices or systems, we are concerned that this will further stack the deck against small and independent practices. **We urge CMS to reconsider this proposal and instead consider ways in which it can increase reimbursement for primary care without substantially increasing administrative burden.**

Value-Based Care Opportunities for Independent Physicians

CMS proposes a series of revisions to the Medicare Shared Savings Program (MSSP) intended to further advance Medicare's value-based care strategy of growth, alignment, and equity. PEPC believes that these

proposals, while well intentioned, will have minimal impact on encouraging independent physicians to enter a value-based care arrangement or take on more risk than they are today.

APP Plus Measure Set

CMS proposes to develop an Alternative Payment Model (APM) Performance Pathway (APP) Plus Quality Measure Set to align with the Adult Universal Foundation measures. This measure set, which would be required for MSSP accountable care organizations (ACOs) to report, would incrementally grow to be comprised of eleven measures. While we applaud CMS for its efforts to streamline quality measures and reporting requirements across payers and programs through the Universal Foundation, PEPC has serious concerns with this proposal, which will increase reporting burden. A key motivation for moving away from FFS and adopting accountable care models is streamlined reporting requirements and reduced burden. These provisions will have the opposite impact and discourage providers from adopting accountable care models.

This proposal is doubly concerning because it comes at a time when providers are already stretched thin with the requirement to move to electronic clinical quality measures (eCQMs) in 2025. Phasing out the MIPS CQM reporting option, which many ACOs have invested substantial resources to adopt, also presents a challenge that will be felt most acutely by small and independent practices. **We urge CMS to maintain the MIPS CQM reporting option for ACOs until digital quality measurement and reporting is feasible for all ACO participants, especially small and independent providers who will need more technical assistance, resources, and support during this transition.**

As stated in our comments on the 2024 proposed fee schedule, PEPC also serious concerns with CMS' policy to remove the MSSP Program certified electronic health record technology (CEHRT) threshold requirements and require all Qualified Participants (QPs) to report the MIPS Promoting Interoperability (PI) performance category. We are disappointed that this concern was not addressed in the proposed rule and ask CMS to repeal this policy, which will significantly increase burden, jeopardizing participation in the MSSP and other advanced APMs, with a disproportionate impact on independent practices and the patients they serve.

Providing the Option of Prepaid Shared Savings

CMS is proposing to establish a new prepaid shared savings option for eligible ACOs with a history of earning shared savings.

PEPC supports this option and appreciates CMS' recognition of the important of upfront cashflow in the transition to accountable care delivery, particularly for small and independent practices; however, we urge CMS to remove restrictions regarding how shared savings are spent and requiring ACOs to submit a spend plan. This will create unnecessary burden, as ACOs are inherently incentivized to invest in services that will improve beneficiary health. With these additional requirements, we anticipate that few ACOs would elect for this flexibility. Similar to the Advance Investment Payment (AIP) policy, we recommend CMS allow the ACO to spend more than 50 percent of payments on health care infrastructure and staffing. These investments are critical for the long-term sustainability of accountable care delivery, particularly for smaller practices that are new to accountable care adoption. Further, many MSSP ACOs reinvest their savings into provider reimbursement, reflecting that Medicare Part B payment alone is inadequate.

Further, while we appreciate the flexibility to allow ACOs to provide beneficiary cost-sharing, we do not believe it will be feasible for most ACOs to offer additional benefits, such as dental, vision and hearing. The provision of these services requires substantial infrastructure and resources, which must be provided to ACOs if CMS expects these services to be rendered.

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Thank you for the opportunity to provide comment on these proposals. Please do not hesitate to contact me if PEPC can be a resource to you as you consider how Medicare FFS policies impact independent practices and physicians seeking to move into new payment and deliver models.

Best,

Kristen McGovern
Executive Director