



December 16, 2015

Andy Slavitt, Acting Administrator  
Centers for Medicare & Medicaid Services  
200 Independence Ave., SW  
Washington, DC 20201

RE: GAO report on Medicare Physician Payment Rates: Better Data and Greater Transparency Could Improve Accuracy

Dear Administrator Slavitt:

On behalf of the American Academy of Family Physicians (AAFP), which represents 120,900 family physicians and medical students across the country, I write in regard to the U.S. Government Accountability Office (GAO) [report](#) titled, “Medicare Physician Payment Rates: Better Data and Greater Transparency Could Improve Accuracy” that was published on May 21, 2015. This report, mandated by the *Protecting Access to Medicare Act*, demonstrates Congressional intent to better understand and improve the Relative Value Scale Update Committee (RUC) process that contributes to the establishment of relative value units (RVUs) that, in turn, help determine Medicare physician payments. We want to learn what steps the Centers for Medicare & Medicaid Services (CMS) has taken so far and what actions the agency is planning to take to implement the recommendations in this report. We also want to learn what other steps the agency will take to improve the accuracy of Medicare payments for primary care services.

The AAFP wholeheartedly agrees with the GAO recommendations that CMS should better document its process for establishing relative values, develop a process to inform the public of potentially misvalued services identified by the RUC, and develop a plan for using funds appropriated for the collection and use of information on physicians’ services in the determination of relative value units. We fully recognize that the RUC takes some steps to mitigate possible bias affecting its RVU and direct practice expense input recommendations. However, the AAFP shares the GAO’s concern that weaknesses in the RUC’s relative value recommendation process persist and that its survey data continues to present significant barriers for achieving accurate Medicare payment rates for physician services.

While we appreciate that CMS also agrees with some of the GAO’s recommendations, we believe the agency must do more to improve the accuracy of Medicare physician payments. Despite the AAFP’s support for the *Medicare Access and CHIP Reauthorization Act (MACRA)*, we remain worried that CMS will build the Merit-Based Incentive Payment System (MIPS) and Alternative Payment Models (APM) programs upon the existing biased and inaccurate relative value data currently used in the fee-for-service system. Doing so would be a terrible mistake as it could impede the health care system’s evolution away from episodic, fee-for-service

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payments toward more value based payments. Therefore, as CMS implements *MACRA* over the next several years, the AAFP enthusiastically urges CMS to accurately update the MIPS and APM systems, so they reflect the resources that today's primary care physicians use to provide high quality and coordinated care rather than base the MIPS and APM programs on the foundation of the inaccurate and outdated resource-based relative value scale established in 1992.

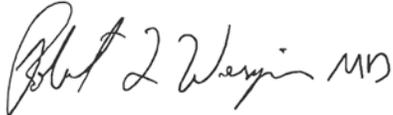
Therefore, the AAFP wants to see CMS take immediate steps to ensure Medicare pays appropriately for primary care physician services in these new payment models rather than paying based on the current, biased data that exacerbates the undervaluation of primary care services. To achieve this goal, we urge CMS to:

- Take administrative actions to increase the values of primary care services in the Medicare program.
- Not depend on RUC data derived from limited and statistically insignificant survey responses; at a minimum, as the GAO recommends, CMS should develop a plan for using funds already appropriated to collect and use its own information on physicians' services in the determination of relative value units.
- Use internal funds to create an adjunct committee to the RUC that would be transparent and public and would include stakeholders besides physicians. If existing CMS resources are unable to establish such a public committee, then we urge CMS to work with Congress to seek additional resources.

The AAFP remains an available resource as CMS further develops accurate payment policies. We also remain a participant in the RUC process, since we believe it is essential to correct the valuation of primary care physician services in the current fee-for-service payment system, lest the MIPS or APM programs perpetuate current inequities. In the context of the RUC, the AAFP's main focus is on improving the quality and accuracy of the data used by the RUC and, by extension, CMS. It is our belief that the quality of the current data produces inequitable values for physician services.

For any questions you might have please contact Robert Bennett, Federal Regulatory Manager, at 202-232-9033 or [rbennett@aafp.org](mailto:rbennett@aafp.org).

Sincerely,

A handwritten signature in black ink that reads "Robert L. Wergin MD". The signature is written in a cursive style.

Robert L. Wergin, MD, FAAFP  
Board Chair