



AMERICAN ACADEMY OF
FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

March 20, 2015

Hon. John Boehner
Speaker of the House
U.S. House of Representatives
U.S. Capitol, Room H-232
Washington, D.C. 20515

Hon. Nancy Pelosi
Minority Leader
U.S. House of Representatives
U.S. Capitol, Room H-204
Washington, D.C. 20515

Dear Speaker Boehner and Leader Pelosi:

On behalf of the 115,900 members of the American Academy of Family Physicians (AAFP), I am pleased to inform you of the AAFP's support for the bipartisan *SGR Repeal and Medicare Provider Payment Modernization Act of 2015* (H.R. 1470). We greatly appreciate the extensive work that this legislation represents and call for its immediate passage.

Legislators and staff have been very diligent and thoughtful in crafting this proposal. They have solicited and responded to suggestions from the physician community and other stakeholders and included many in this final product. These efforts have produced a bill that offers real reform of the Medicare physician payment system. The AAFP urges the House to pass this measure before March 31, when the current extension of the Medicare payment formula that includes the Sustainable Growth Rate (SGR) expires.

Above all else, H.R. 1470 repeals the Medicare SGR. Congress is well aware of the troublesome history of this payment formula, since Congress has had to override it 17 times to prevent the reductions in the physician payment rate mandated by the SGR. These perennial reductions have jeopardized the stability of the Medicare program and the access of seniors to Medicare benefits. The looming threat of frequent reductions also stifles innovation in care delivery and hinders the transformation of primary care practices. Investments in process and quality improvement have proven difficult for most physicians under the current unpredictable payment structure. This is why the AAFP has advocated for repeal of the SGR for several years – so that the primary care delivery system can provide constantly improving care to patients through innovation unencumbered by a flawed payment structure.

The *SGR Repeal and Medicare Provider Payment Modernization Act* makes several significant changes in Medicare that the AAFP supports. First, the legislation shifts emphasis away from fee-for-service toward new approaches to payment that support alternative payment models (APM) that demonstrate innovation in care delivery and higher quality care. Prominent among these APMs is the Patient Centered Medical Home (PCMH), which the AAFP, along with the American Academy of Pediatrics, the American College of Physicians and the American Osteopathic Association, have promoted since 2007. The AAFP agrees with the legislation's inclusion of the PCMH as an Advanced APM that is designed to improve the delivery of care and control the costs of that care.

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The AAFP appreciates the legislation's stipulation of a 0.5 percent positive update each year through 2019. This is key to providing physician practices with the stability they need to make needed investments in the office that will support their transformations to an appropriate alternative delivery model.

The legislation also proposes to consolidate existing quality improvement programs – specifically the Physician Quality Reporting System (PQRS), the value-based modifier (VBM), and meaningful use of electronic health records (EHR-MU) – into a single Merit-based Incentive Payment System (MIPS). We ask that Congress assure that this consolidation reduces the current administrative duplication and reporting burden that these three programs currently require. Such administrative simplification would be welcomed by our members.

The legislation includes an important provision to provide needed technical assistance to small physician practices (i.e., those with 15 or fewer eligible professionals) that are located in Health Professionals Shortage Areas, rural areas, and other medically underserved areas to help these practices improve their performances and to facilitate participation in appropriate APMs. These are the practices that most need assistance and are least likely to be able to afford securing it. Providing them with technical assistance will be critical in the rural and underserved areas that depend on the local primary care physician.

The AAFP also supports the legislation's validation of the Medicare payment for care coordination which will compensate eligible physicians for those services generally provided outside a traditional face-to-face encounter and which are vitally important to patients with more than one chronic condition. We also support making a PCMH eligible for these payments, since the PCMH is particularly designed to assist these patients.

There are always areas in any legislation that could be revised or improved, but in our view HR 1470 would facilitate better care delivery and encourage transformation of the Medicare physician payment system. It is a remarkable accomplishment and an important compromise.

Much has been achieved by those who worked so diligently to draft this legislation and Congress should not squander the momentum established by delaying consideration of this important legislation. The opportunity to make a major improvement in the delivery of health care and the quality of care provided to all patients arises infrequently. We urge you, as leaders of the House of Representatives, to bring this legislation to the floor for approval before March 31. If you or your staff need any assistance from the AAFP, please do not hesitate to contact Kevin Burke, AAFP Director of Government Relations at kburke@aafp.org. We are eager to support you in finally closing the book on the SGR and in giving health care delivery a new direction.

Sincerely,



Reid B. Blackwelder, MD, FFAFP
Board Chair

cc: Members of Congress