

November 6, 2009

United States House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the American Academy of Family Physicians (AAFP), the American College of Physicians (ACP), and the American Osteopathic Association (AOA) and the more than 300,000 primary care physicians we represent, we would like to express our strong support for the primary care provisions contained in the “Affordable Health Care for America Act” (H.R. 3962) and the “Medicare Physician Payment Reform Act” (H.R. 3961). We believe these policies would enhance the primary care physician workforce through innovative changes to the Medicare and Medicaid payment formulas and a focus on patient-centered primary care through the advancement of new delivery models such as the medical home, and adjustments to the graduate medical education system to place greater focus on the training of the next generation of primary care physicians.

We support the emphasis that H.R. 3961 places on improving primary care through a restructuring of the Medicare physician payment formula. It is impossible to achieve meaningful health system reforms independent of establishing long-term stability in physician payment methodologies. We support the establishment of a new methodology whereby physicians’ services are bifurcated into independent service targets. Under this proposal all evaluation and management services, along with designated preventive care services, would be reimbursed using a methodology that promotes their delivery and provides adequate compensation to both primary care and specialty physicians.

H.R. 3962 addresses disparities in physician payment that deter medical students from entering careers in primary care and general surgery, both of which face growing shortages over the next decade. We strongly support the establishment of permanent “bonus payments” of five percent to primary care physicians providing designated services and 10 percent to primary care physicians in health profession shortage areas. On top of the restructured payment formula contained in H.R. 3961, these bonuses offer a solid foundation upon which to build our physician workforce. Additionally, AAFP, ACP and AOA strongly support provisions that would more closely align Medicaid payments to Medicare payment rates for primary care physicians. We believe that this provision will facilitate greater participation in the Medicaid program and increase access to these vital services.

AAFP, ACP and AOA strongly support an expansion of the Patient Centered Medical Home (PCMH) through the Medicare demonstration project and grants to states for inclusion of PCMH models in their Medicaid and SCHIP programs. This legislation provides a monthly primary care management fee for physicians who are designated the health home of a high-need Medicare beneficiary and provide continuous medical care. The PCMH payment policy contained in this legislation accounts for the considerable practice expenses involved in comprehensive care coordination and facilitates widespread adoption of the

medical home. We strongly support this move toward a model of health care delivery that is based on an ongoing personal relationship with a physician.

We are pleased that the legislation includes provisions to reform the nation's graduate medical education (GME) system in order to address the looming shortage of primary care physicians. AAFP, ACP and AOA strongly support those provisions in H.R. 3962 that would remove disincentives that exist regarding training in non-hospital settings. By clarifying in statute the definition of "all or substantially all," as it relates to the training costs of resident physicians in non-hospital settings, this legislation will foster training opportunities in outpatient practice settings and improve the quality of graduate medical education programs – especially for primary care physicians. We support provisions in this legislation that would allow for the redistribution of unused GME positions. AAFP, ACP and AOA believe that the criteria for prioritization in this legislation will be effective in achieving a targeted distribution of GME slots that will benefit those regions in greatest need of physicians.

The primary care provisions contained in H.R.3961 and 3962 offer the most comprehensive and constructive proposals to date to transform the health care delivery system and build a more robust primary care physician workforce. As a cosponsor of the "Preserving Patient Access to Primary Care Act" (H.R. 2350) we urge you to remain steadfast in your commitment to the principles and policies set forth in these bills.

Sincerely,

American Academy of Family Physicians
American College of Physicians
American Osteopathic Association