DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator
Washington, DC 20201

APR 12 2016

Robert L. Wergin, MD, FAAFP
Board Chair
American Academy of Family Physicians
1133 Connecticut Ave, NW, Suite 1100
Washington, DC 20036-4305

Dear Dr. Wergin:

Thank you for your letter regarding your views on the recommendations included in the Government Accountability Office report entitled, "Medicare Physician Payment Rates: Better Data and Greater Transparency Could Improve Accuracy." The Centers for Medicare & Medicaid Services (CMS) appreciates your sharing these views with us.

We are committed to supporting primary care, and we have increasingly recognized care management as one of the critical components of primary care that contributes to better health for individuals and reduced expenditure growth. In 2013, we began paying separately for transitional care management to recognize the work of primary care physicians treating beneficiaries discharged from an institution. In 2015, we began paying separately for non-face-to-face chronic care management services for beneficiaries with two or more chronic conditions. In the calendar year 2016 physician fee schedule (PFS) proposed rule, we sought comments on additional ways Medicare might accurately account for the resource costs of primary and cognitive care, including a more robust inter-professional consultation under the PFS. We are considering the public comments and intend to continue our efforts to appropriately recognize the value of primary care services.

Other efforts we have underway to improve the accuracy of PFS payments include using appropriated funds made available by section 523 of the Medicare Access and Children's Health Insurance Program Reauthorization Act of 2015 (MACRA) and section 220 of the Protecting Access to Medicare Act of 2014 (PAMA) to collect data on the resources used to furnish PFS services. CMS is eager to obtain new data to improve valuations under the PFS. We have added a task to an existing contract to provide information on coding post-operative activities to help us in valuing global packages. In addition, we held a listening session earlier this year to hear from stakeholders about how to best implement the data collection on visits furnished in the post-operative global surgical period as required by section 523 of MACRA. We are actively working on plans to make maximum use of the funding under the MACRA and PAMA provisions and will provide public information on these activities as soon as possible. Information on additional data collections should be available shortly.

The CMS Innovation Center is also exploring ways to improve payment for primary care through several models. The Comprehensive Primary Care initiative and the Multi-payer Advanced Primary Care Practice Demonstration are testing the impact of layering a non-visit based care

management payment on top of traditional Medicare fee-for-service reimbursement on health and cost outcomes. While these models do not change the structure of PFS payments, they are informative for understanding the resource needs of practices for the delivery of high value primary care. The Innovation Center has been considering alternative payment mechanisms to better support primary care as it considers new payment and delivery models.

We appreciate your interest in these important issues as we work towards our mutual goal of strengthening the Medicare program for all beneficiaries. We will look forward to your input as we undertake the activities discussed above and implement the new Merit-Based Incentive Payment System and Alternative Payment Models programs.

Sincerely,

Andrew M. Slavitt
Acting Administrator