AMERICAN ACADEMY OF FAMILY PHYSICIANS

STRONG MEDICINE FOR AMERICA

September 16, 2015

Hon. Bill Cassidy
United States Senate
703 Hart Senate Office Building
Washington, D.C. 20510

RE: Primary Care Enhancement Act of 2015

Dear Senator Cassidy:

On behalf of the 120,900 physician and medical-student members of the American Academy of Family Physicians (AAFP), I write to thank you for introducing the *Primary Care Enhancement Act of 2015* (S 1989). This legislation removes a legal barrier that prevents patients with Health Savings Accounts (HSAs) from entering into Direct Primary Care (DPC) arrangements with family physicians and other primary-care providers. The bill also provides an avenue for patients who have HSAs, as well as patients enrolled in Medicare, to more easily avail themselves of services through the DPC model. The AAFP appreciates your leadership on this important issue and I am pleased to inform you that the AAFP supports the bill.

Under current interpretation of the Internal Revenue Code, patients with HSAs have been prohibited from engaging in DPC arrangements with a family physician or any other physicians. Section 2 of S 1989 removes this barrier by allowing patients with HSAs to freely contract with physicians for DPC services.

Additionally, the Internal Revenue Code does not clearly establish whether a patient with an HSA may use HSA dollars to pay for DPC services. Section 3 defines DPC periodic payments as "medical care," thus explicitly clarifying that patients may use their HSA dollars to pay for monthly DPC payments.

Finally, DPC services are currently not a Medicare-covered benefit. Medicare beneficiaries may privately contract with physicians for DPC services, but must pay the monthly fees out of pocket—and can only do so with physicians who have opted out of Medicare. Section 4 of S 1989 establishes a demonstration program in the Center for Medicare & Medicaid Innovation (CMMI), under which CMMI will pay a "qualified direct primary care medical home practice" a periodic fee for furnishing DPC services to a Part B beneficiary. The scope of covered services includes preventive care, wellness counseling, primary care, care coordination, 7-day-a-week appointments, secure email and phone consultations, and 24/7 telephonic access to consultations, among others. The demonstration requires the Secretary of Health and Human Services to establish a performance benchmark using quality measures from the Medicare Shared Savings Program. DPC practices that fail to meet the performance benchmark in two consecutive years will be terminated from the demonstration.

As the bill moves forward, if there are further opportunities to refine the language, the AAFP would like to offer some additional suggestions, as well as discuss with you how the AAFP could help work with you and CMMI to best implement the Primary Care Medical Home Demonstration Program.

Again, thank you for your leadership on this important issue. If you or your staff would like to discuss this with the AAFP further please do not hesitate to contact Andrew Adair, Government Relations Representative, at aadair@aafp.org.

Sincerely,

Reid B. Blackwelder, MD, FAAFP
Board Chair