



February 16, 2017

Physician-Focused Payment Model Technical Advisory Committee (PTAC)  
c/o U.S. DHHS Asst. Secretary for Planning and Evaluation Office of Health Policy  
200 Independence Avenue S.W.  
Washington, D.C. 20201

**Letter of Intent – American Academy of Family Physicians (AAFP), Advanced Primary Care: A Foundation Alternative Payment Model (APC-APM) for Delivering Patient-Centered, Longitudinal, and Coordinated Care**

Dear PTAC Committee Members,

On behalf of the American Academy of Family Physicians (AAFP), I am notifying you of our intent to submit a Physician-Focused Payment Model (PFPM) for PTAC review on or after March 18, 2017. The AAFP is pleased to submit this Letter of Intent in advance of our submission of an “Advanced Primary Care Alternative Payment Model (APC-APM) for Delivering Patient-Centered, Longitudinal, and Coordinated Care.”

The U.S. health care system is undergoing an intense period of transformation. The recent passage of the *Medicare Access and CHIP Reauthorization Act of 2015* (MACRA) has accelerated the movement to value by providing payment incentives to move physicians into alternative payment models (APMs) that aim to improve quality for patients and reduce costs. Primary care is (and must be) a critical and foundational component of this system-wide transformation. Primary care’s value to patients and payers is well documented in terms of its positive effects on costs, access, and quality in the U.S. and numerous other health systems. In support of these goals, the AAFP plans to submit the APC-APM proposal for PTAC evaluation and consideration as a PFPM and as a MACRA advanced APM. The model facilitates the delivery of advanced primary care through the medical home model, which is foundational to an efficient and effective health care delivery system. In fact, 45 percent of clinically active AAFP members already work in an officially recognized Patient Centered Medical Home, which would allow for rapid scaling and expansion of the model to Medicare beneficiaries to improve their health outcomes and lower overall system costs.

**Model Overview:** The APC-APM will provide a primary care global payment for direct patient care, a care management fee, and fee-for-service (FFS) payments limited to services not otherwise included in the primary care global fee—coupled with performance-based incentive payments that hold physicians appropriately accountable for quality and costs. These prospective, performance-based incentive payments would reward practices based on their performance on patient experience, clinical quality, and utilization measures. The Comprehensive Primary Care Plus (CPC+) performance-based incentive payment is an example of such a payment mechanism. Commercial payers are also showing the value of investing in

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enhanced, prospective payments that include mechanisms for accountability. Similar to CPC+, we believe the APC-APM will qualify as an advanced APM.

**Goals of the Payment Model:** The APC-APM is built on the principles that patient-centered primary care is comprehensive, continuous, coordinated, connected, and accessible from the patient's first contact with the health system. While the APC-APM aims to improve clinical quality through the delivery of coordinated, longitudinal care—assessed through the Core Quality Measure Collaborative measure sets—the broader goal of the APC-APM is to use this approach to deliver care in a manner that improves patient outcomes and reduces healthcare spending, such as through decreased inpatient and emergency department use. We also believe that such a payment model would represent the importance of the need for a greater investment in primary care.

**Expected Participants:** Family physicians conduct approximately one in five office visits. This represents more than 192 million visits annually, which is 48 percent greater than the next most visited medical specialty. Family physicians provide more care for America's underserved and rural populations than any other medical specialty. Any primary care physician, defined as a physician in a family medicine, general internal medicine, geriatric medicine, general pediatrics, or general practice setting, can participate in the APC-APM. We expect that primary care physicians currently not in CPC+ regions would be most interested in participating in the APC-APM. Any FFS Medicare beneficiary not attributed to another APM could participate in the APC-APM, and the AAFP will propose a four-step attribution process in its submission. Last, the APC-APM can also be adapted for use with other payers and populations, which will be especially critical with MACRA's Other Payer Advanced APMs beginning in 2021.

**Implementation Strategy:** The AAFP and its chapters represent 124,900 family physician, resident, and medical student members. Family physicians play a critical role in improving the health of patients, families, and communities. Our presence in urban, rural, and medically-underserved areas will help increase the number of physicians that can participate in an advanced APM—and most importantly, the number of Medicare beneficiaries that will benefit from care under the APC-APM. Furthermore, the AAFP has been active in both education and recruitment for the original CPC and CPC+ initiatives and has extensive experience in offering technical support and assistance to members undertaking practice transformation. This experience will be critical to helping implement the APC-APM successfully.

**Timeline:** The AAFP expects to submit the APC-APM proposal on or soon after March 17, 2017, for PTAC consideration at a summer 2017 meeting. If PTAC and, subsequently, Health and Human Services, approves the model, the AAFP believes that physician organizations could begin enrolling in early 2018—similar to the CPC+ roll-out.

If you or your staff has any questions about this matter, please contact Mr. Kent Moore, senior strategist for physician payment at the AAFP at [kmoore@aaafp.org](mailto:kmoore@aaafp.org) or at (800) 274-2237, extension 4170. We look forward to your response.

Sincerely,



Wanda D. Filer, MD, MBA, FFAFP  
Board Chair