



March 19, 2018

The Honorable Alex Azar
Secretary
Department of Health & Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Azar:

On behalf of the 129,900 members of the American Academy of Family Physicians (AAFP), I write to request your support for testing the AAFP's Advanced Primary Care Alternative Payment Model (APC-APM), which is currently pending your review. The APC-APM is a comprehensive primary care delivery system and payment reform proposal that aims to strengthen primary care, improve quality and outcomes for Medicare beneficiaries and reduce costs for the program. The model aims to promote advanced primary care as foundational to our health care system while also taking significant steps to reduce administrative burden and complexity for physicians, allowing them to focus on providing care to their patients.

As you know, through passage of the *Medicare Access and CHIP Reauthorization Act (MACRA)* (P.L. 114-10), Congress established the Physician-Focused Payment Model Technical Advisory Committee (PTAC) as a means of facilitating the development, testing, and implementation of alternative payment models. The APC-APM represents the most comprehensive delivery system and payment reform proposal considered by the PTAC. Furthermore, we believe the APC-APM is highly consistent with the goals you have outlined for HHS.

On December 19, 2017, the PTAC voted to recommend the APC-APM for limited testing – one of four options available to the PTAC. Specifically, six PTAC members voted for limited scale testing, one member voted for implementation, and four members voted for implementation as a high priority. In subsequent discussions, PTAC members, including those who voted for limited scale testing, emphasized that the action on the model should be a high priority and undertaken urgently to support primary care and ensure robust access in all areas of the country. They also noted that limited testing can be on a large scale, equal to or greater than that of Comprehensive Primary Care Plus. We note that if just one of the PTAC members voting for limited scale testing had voted for implementation instead, the latter would be PTAC's recommendation.

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The APC-APM is a proposal built on decades of experience, derived from previous delivery system and payment reform programs including the Innovation Center's Comprehensive Primary Care (CPC) models. If fully implemented, it would allow more than 200,000 primary care physicians to engage in an advanced APM that promotes the value of primary care, facilitates comprehensive and continuous patient-centered primary care, provides the financial resources to enable physicians to transform and sustain their practices, and reduces the administrative burden associated with modern day medical practice.

The APC-APM proposal is wholly consistent with the Administration's goals of preserving independent medical practices, lowering the cost of health care, and reducing the administrative burden for physicians and other health care providers.

The APC-APM has several features that align with the Administration's priorities in advancing value-based care and payment:

- **Patient-centered.** Patient choice is the primary means of attribution, and payment is associated with the patient's health care needs rather than volume of services.
- **Broad in scope.** It is open to multiple payers and accessible to primary care physicians, regardless of where they are or their type of practice.
- **Moves payment away from fee-for-service in a substantial way.** Participating practices would be paid primarily with prospective, risk-adjusted, per patient per month (PPPM) payments. At-risk performance-based incentive payments tied to quality and utilization measures would help ensure the model delivers quality care while reducing overall costs to the system.
- **Participation in an Advanced APM.** The model has been designed to also qualify as an Advanced APM and would significantly increase opportunities for primary care physicians to participate in the Advanced APM track.
- **Reduces administrative burden.** PPPM payments for population-based care eliminate the need to file claims for chronic care and transitional care management, and PPPM for evaluation and management (E/M) services make documentation guidelines for E/M services obsolete. Measure harmonization simplifies quality reporting.
- **Improvements for Medicare and beneficiaries.** The overall goals of the APC-APM are to strengthen the primary care system in the U.S., improve outcomes for Medicare beneficiaries and reduce costs for the program. The PRT noted that the APC-APM proposal "hold(s) sufficient" promise for accomplishing these goals – and that the model should be tested along with CPC+.

There is comprehensive and compelling evidence showing that a health care system built on a foundation of primary care equates to healthier individuals and lower cost. Current literature also demonstrates that primary care practices are collapsing under the weight of poor payment and an avalanche of administrative and regulatory mandates. The APC-APM provides a pathway to remedy both of these principal challenges by establishing a payment model that is supportive of modern day advanced primary care practices and facilitates the wholesale elimination of the most cumbersome, low-value administrative functions currently plaguing primary care physicians.

As our nation grapples with the escalating costs of health care, we feel it is time to prioritize primary care and wide-scale testing of the APC-APM is an important step towards achieving our mutual goals. The AAFP is ready to partner with CMS to implement and test this important model for Medicare beneficiaries, primary care physicians, and the Medicare Program overall. I urge you to approve this payment model now so that testing can proceed to the benefit of Medicare beneficiaries and foundational primary care. Thank you for your consideration and please contact R. Shawn Martin, Senior Vice President of Advocacy, Practice Advancement, and Policy at smartin@aafp.org or (202) 232-9033 for additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Meigs, Jr.', with a stylized flourish and the initials 'MS' at the end.

John Meigs, Jr., MD, FAFAP
Board Chair

C: The Honorable Seema Verma, Administrator, Centers for Medicare & Medicaid Services