



September 19, 2019

Seema Verma, Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1717-P
P.O. Box 8013
Baltimore, MD 21244-1850

Dear Administrator Verma:

On behalf of the American Academy of Family Physicians (AAFP), which represents 134,600 family physicians and medical students across the country, I write in response to the [proposed rule](#) titled, "Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs; Price Transparency of Hospital Standard Charges; etc." as published by the Centers for Medicare & Medicaid Services (CMS) in the August 9, 2019, *Federal Register*.

In this regulation rule, CMS proposes:

- Revisions to the Medicare hospital outpatient prospective payment system (OPPS) and the Medicare ambulatory surgical center (ASC) payment system for 2020, most significantly by completing the two-year phase-in of site neutral payments for clinic visits at off-campus provider-based departments (PBDs).
- Requiring all hospitals in the United States beginning on January 1, 2020, to disclose online to patients how much they charge for all supplies, tests, and procedures.

According to CMS, the proposed completion of the two-year phase-in of site neutral payments for clinic visits at off-campus PBDs is estimated to save Medicare beneficiaries \$160 million in lower copays and save the Medicare program \$650 million in 2020. Payment disparities across different sites of service continue to create unjustified financial stress on patients and the Medicare program. Not only have Medicare beneficiaries been forced to pay more at hospital outpatient departments, but vertical integration has caused many community clinics to close their doors, ultimately undercutting patients' freedom to choose where they receive their care. The cost of care should be the same regardless of the setting patients choose. **The AAFP therefore praises CMS for completing the two-year phase-in since it increases the sustainability of the Medicare program and reduces costs for Medicare patients.** We strongly urge CMS to finalize this policy.

The AAFP continues to fully support CMS efforts to align payment policies for physicians in independent practice with practices owned by hospitals. **The AAFP encourages CMS to also consider site-of-service payment parity policies from a broader perspective. Namely, CMS should not pay more for the same services in the inpatient, outpatient, or ambulatory**

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surgical center setting than in the physician office setting. The AAFP encourages CMS to create incentives for services to be performed in the most cost-effective location, such as a physician's office. The AAFP considers the artificial distinction between "inpatient," "outpatient," and other sites of service as a product of the equally artificial distinction between Medicare's Part A and Part B. The AAFP calls for policies that progress beyond this silo mentality and instead pay for health care services in a more consistent and equitable manner.

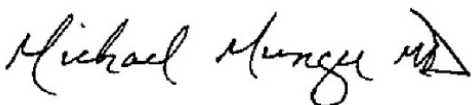
The AAFP supports reducing payment differences between sites of service since it enables Medicare beneficiaries to make more informed healthcare decisions by making costs more transparent. Payment parity also encourages patient choice based on quality rather than cost. It is the AAFP's policy that patients should have reasonable freedom to select their physicians, other providers, and healthcare settings. Importantly, whenever making a choice, patients and caregivers must be well-informed on the options available and possible effects of, and responsibilities involved with, each option. To this end, all medical and pharmacy plans should, to the fullest extent possible, provide transparency regarding:

- coverage;
- network, including credentials and quality of care of participating providers;
- restrictions on patient access to services or goods; and
- price and patients' financial responsibility (including premium, deductible, and copayments).

The AAFP therefore wholeheartedly supports CMS requiring all hospitals in the United States, beginning on January 1, 2020, to disclose online to patients how much they charge for all supplies, tests, and procedures. We agree with CMS that doing so will make it easier for patients to shop around for the best price. Hospitals that fail to disclose information could be fined, but the fines would be limited to \$300 a day up and to \$109,500 per year.

We appreciate the opportunity to comment on this proposed rule. Please contact Robert Bennett, Federal Regulatory Manager, at 202-655-4908 or rbennett@aafp.org with any questions.

Sincerely,

A handwritten signature in black ink that reads "Michael Munger MD". The signature is written in a cursive style with a stylized "M" and "D".

Michael Munger, MD, FAAFP
Board Chair