September 9, 2024

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Johnson and Leaders Jeffries, Schumer and McConnell:

On behalf of the American Academy of Family Physicians (AAFP), representing more than 130,000 family physicians and medical students across the country, we appreciate your commitment during the second session of the 118th Congress to advancing policies to address the existing challenges with physician reimbursement, building and sustaining a strong primary care workforce, and ways to ensure physicians can care for patients with mental health and substance use disorder (SUD) needs within the primary care setting.

As we move toward the end of the second session, we are asking Congress to act on important, time-sensitive items to ensure our patients have access to high quality, affordable, and accessible health care moving forward. This includes:

- **Implementing necessary reforms to Medicare physician payment,** including providing an inflationary update to offset the proposed cuts for 2025;
- **Providing a multi-year reauthorization of and increased funding for the Teaching Health Centers Graduate Medical Education Program**, as well as for Community Health Centers and the National Health Service Corps;
- **Reforming prior authorization in Medicare Advantage** by enacting the Seniors Timely Access to Care Act; and
- **Enacting a minor technical fix to ensure trained family physicians can continue to provide necessary care,** including SUD treatment.

Addressing Physician Reimbursement

In July, the Centers for Medicare and Medicaid Services (CMS) published their proposed Calendar Year (CY) 2025 Medicare Physician Fee Schedule, in which they included policies that will better support Medicare beneficiaries' access to longitudinal, comprehensive primary care, including new bundled payments for advanced primary care management and reducing restrictions on the G2211 add-on code for office visits. However, they have also proposed a **2.8 percent reduction to the Medicare conversion factor, resulting in untenable payment cuts for all physicians**. We anticipate that this cut will be finalized as proposed in November, further destabilizing physician practices that already face significant financial instability.

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We know that the Medicare Payment Advisory Commission and the Board of Trustees have raised concerns about rising costs for physician practices and impacts on patient care, with each body recommending Congress provide payment updates for physicians. Specifically, the Board of Trustees has warned that, without a sufficient update or change to the payment system, they "expect access to Medicare-participating physicians to become a significant issue in the long term."[1]

The Academy continues to advocate alongside the entire physician community in support of long-term, meaningful reforms to Medicare physician payment, including enactment of an annual inflationary update based upon the Medicare Economic Index (MEI). **However, most immediately, Congress must act swiftly and provide physicians with relief in the form of an annual inflationary update that would go into effect on January 1, 2025.** Failure to do so threatens the viability of many physician practices and patients' continued access to care.

We also continue to urge Congress to reform the zero-sum budget neutrality requirements applied to the Medicare Physician Fee Schedule that undermine positive policy changes and hamstring CMS' ability to appropriately pay for all the services a beneficiary needs. The Academy has supported existing legislative proposals that make incremental but important first steps such as increasing the budget neutrality threshold and requiring timely updates to the direct costs used to calculate practice expense Relative Value Units (RVUs).

Finally, as we approach the year-end, **the AAFP once again urges Congress to extend two important expiring provisions: the advanced alternative payment model (AAPM) incentive payment and the physician work Geographic Practice Cost Index (GPCI) floor of 1.0**. In addition to already being insufficient, Medicare payments for physician services are adjusted based on the geographic area where a physician works through GPCIs. This creates a structure of low payment that prevents rural physicians from being able to feasibly accept as many patients as urban and suburban physicians, further disadvantaging individuals living in those areas and consequently reducing their access to primary care services. Congress has applied a temporary floor of 1.0 to raise the physician work GPCI value to the national average for localities with values below it, but that floor is set to expire on December 31, 2024 without Congressional action.

Meanwhile, the Academy has consistently called for greater federal resources to appropriately support and sustain physician practices moving into APMs. One of these resources has been the incentive payment for practices participating in AAPMs. These payments have served as an important tool for attracting physicians to participate in AAPMs, which require significant upfront (and often ongoing) investments in new staff, technology, and other practice improvements. Primary care practices have also used the AAPM bonus payments to offset the cost of investing in care delivery transformation that drives success in these models by improving patient outcomes and lowering spending. However, the payment also expires on December 31, 2024 and, if not immediately reauthorized, will institute an additional barrier to continued AAPM participation for physician practices and further impede family physicians' ability to transition value-based payment models.

Strengthening the Physician Workforce

Primary care is the only health care component where an increased supply is associated with better population health and more equitable outcomes. Despite the significant role that primary care plays in our health system, it accounts for a mere 5-7 percent of total health care spending. Further, it is projected that the country will face a shortage of up to 40,400 primary care physicians by 2036.[2] While the AAFP appreciates recent Congressional efforts to help address health workforce shortages, additional action is needed to comprehensively address the current and projected primary care workforce shortages.

The AAFP recognizes and appreciates work being undertaken by the House Energy and Commerce and Senate Health, Education, Labor and Pension (HELP) Committees to address the physician workforce shortage. The *Lower Costs, More Transparency Act* (H.R. 5378) would reauthorize and fund the Teaching Health Centers Graduate Medical Education (THCGME) program through 2030. It would also extend the Community Health Center (CHC) Fund through 2025 at $4.4 billion per year and the National Health Service Corps (NHSC) through 2025 at $350 million per year. Family physicians are the most common type of clinician (46 percent) practicing in CHCs, which provide comprehensive primary care and preventive services to some of the most vulnerable and underserved Americans. Increased funding for CHCs is essential to better meet the health workforce needs of the underserved and to increase access to comprehensive primary care in our most vulnerable communities.

The *Bipartisan Primary Care and Health Workforce Act* (S. 2840) would fund THCGME through 2028, investing $1.5 billion into the program and establishing 700 additional primary care residency slots. Additionally, it includes language to increase the THCGME per-resident allocation (PRA) by $10,000 per year from 2024-2028. It is estimated that these additional opportunities could lead to an increase of 2,800 doctors by 2031. This legislation would also increase funding for CHCs from $4 billion to $5.8 billion per year for three years. Further, it would triple funding for the NHSC to $950 million each year over the next three years, providing 2,100 scholarships and offering debt forgiveness to about 20,000 clinicians who work in rural and medically vulnerable communities.

The THCGME program has trained more than 2,000 primary care physicians and dentists, 61 percent of whom are family physicians. THC graduates are more likely to continue practicing primary care and serving in rural and underserved communities than those in Medicare GME–supported programs. **Given the program's success, the AAFP will continue to call on Congress to permanently authorize the THCGME program**. However, in the absence of a current legislative path forward to provide permanent authorization, we urge Congress to at least pass multi-year funding for THCGME as proposed in H.R. 5378 or S.2840. Multi-year funding for THCGME is necessary in order to provide greater program stability, as the program's historic patchwork funding and lack of future certainty has already led to closure of some programs. Continuing down this path will only worsen our nation's already severe shortage of primary care physicians.

Addressing Prior Authorization

Earlier this year, CMS issued final rules streamlining prior authorization processes across federal payers, including Medicare Advantage (MA) plans. However, Congressional action is still needed to enshrine these much-needed reforms into statute. In June, a bipartisan, bicameral group of lawmakers reintroduced the *Improving Seniors' Timely Access to Care Act* (H.R. 8702 / S. 4532), which would codify these changes to standardize prior authorization processes within MA plans.

The AAFP has long supported efforts to streamline prior authorization and identify ways to reduce administrative burdens for family physicians. According to the American Medical Association, 88 percent of physicians describe the burden associated with prior authorization as high or extremely high. Further, 94 percent reported that prior authorization delays access to care, 80 percent reported that it led to patients abandoning their treatment and 33 percent reported that it had led to a serious adverse event for their patient.

This bill would require a standard electronic prior authorization process for MA prior authorization requirements and expand beneficiary protections to improve enrollee experiences and outcomes. It would also improve transparency across MA plans and address inappropriate coverage denials. The

previous version of this legislation passed the House in the 117th Congress but stalled in the Senate due to a high projected score from the Congressional Budget Office. The bill's sponsors have crafted thoughtful changes to the bill before reintroduction to ensure the score will be low, if not zero. **To meaningfully protect patients and ease burden on the physicians who care for them, the AAFP urges Congress to enact the *Improving Seniors' Timely Access to Care Act* before the end of the 118th Congress.**

Passing the *SUPPORT Reauthorization Act*

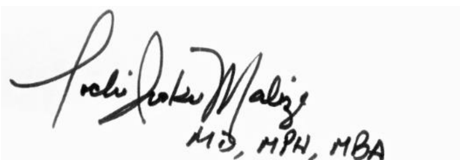
The AAFP appreciates the work of the House Energy and Commerce and Senate HELP Committees in advancing the *Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Reauthorization Act* (H.R. 4531 / S. 3393). Family physicians provide comprehensive behavioral health services and are a major source for mental health care in the U.S. They play a crucial role in safe pain management prescribing practices, screening patients for opioid use disorder (OUD), and prescribing and maintaining treatment of medications for OUD (MOUD). Primary care physicians are often the first point of care for patients and can provide necessary referrals or coordinate care with psychiatric and other mental health professionals when needed.

Among the many provisions we support, both versions of the legislation include a minor technical fix to ensure trained family physicians can continue to provide necessary care, including SUD treatment. The *Medication Access and Training Expansion (MATE) Act,* passed as part of the *Consolidated Appropriations Act (CAA) of 2023*, included a new requirement that prescribers of controlled substances in schedules II, III, IV, and V complete a one-time eight-hour training before registering or renewing their registration with the Drug Enforcement Agency (DEA). Due to the Substance Abuse and Mental Health Services Administration (SAMHSA) and DEA electing not to proceed with statutorily authorized rulemaking, AAFP accredited trainings were not deemed compliant. This has led to many family physicians across the country having to retake duplicative trainings that are not tailored specifically for their specialty and patient population.

The legislative fix (Section 205 in H.R. 531 and Section 403 in S. 3393) **makes a critical technical fix that ensures that family physicians are compliant with this requirement when they complete appropriate training for their specialty and patient population each year** and helps prevent patients from experiencing potential disruptions in their access to ongoing or new care. **Therefore, we strongly urge Congress to include this critical language in any potential legislation that moves before the end of 2024.**

Thank you for your efforts on these important issues. The AAFP looks forward to working with you to advance policies that will further recognize the value of primary care for both patients and physicians. Should you have any questions, please contact David Tully, Vice President of Government Relations at dtully@aafp.org.

Sincerely,



Tochi Iroku-Malize, MD, MPH, MBA, FAAFP
Board Chair, American Academy of Family Physicians

Cc:
The Honorable Cathy McMorris Rodgers, Chair, House Energy and Commerce Committee
The Honorable Frank Pallone, Ranking Member, House Energy and Commerce Committee
The Honorable Jason Smith, Chair, House Ways & Means Committee
The Honorable Richard Neal, Ranking Member, House Ways & Means Committee
The Honorable Bernie Sanders, Chair, Senate Health, Education, Labor and Pensions Committee
The Honorable Bill Cassidy, Ranking Member, Senate Health, Education, Labor and Pensions Committee
The Honorable Ron Wyden, Chair, Senate Finance Committee
The Honorable Mike Crapo, Ranking Member, Senate Finance Committee

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[1] 2023 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. Accessed April 6, 2023: https://www.cms.gov/oact/tr/2023

[2] GlobalData Plc. The Complexities of Physician Supply and Demand: Projections From 2021 to 2036. Washington, DC: AAMC; 2024. Accessed online at: https://www.aamc.org/media/75236/download?attachment.