

Discussion Draft: Primary Care Legislation

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Primary care is associated with better health outcomes, reduced health spending, and improved health equity. Well-resourced and organized primary care teams can efficiently provide preventive care, diagnose conditions, and coordinate patient-centered care.

Despite the bedrock importance of primary care, the US spends less on primary care as a share of total health spending than any other OECD country, including Mexico and Canada. Three in ten people report not having a usual source of primary care. This shortage is even more dire in rural and medically under-resourced areas with worse health outcomes.

This discussion draft considers policies that would encourage CMS to accelerate its efforts to support high-quality primary care and improve pay for primary care providers in Medicare.

The discussion draft contains policies that would:

Encourage CMS to adopt a “hybrid payment” approach for all primary care providers in Medicare.

The Medicare Physician Fee Schedule (Fee Schedule) is comprised of discrete activities and services that are currently ill-suited to support primary care. Primary care requires ongoing care coordination and relies upon routine activities that are under- or non-reimbursed in the Fee Schedule. This provision encourages CMS to adopt “hybrid payments” for primary care providers in the Fee Schedule, accelerating ongoing efforts in CMMI models. Hybrid payments give primary care providers in Medicare steady and upfront payments for under-reimbursed activities, while maintaining some traditional fee-for-service payments for certain services. Hybrid payments allow primary care providers to innovate and more easily integrate diverse care activities to improve care quality and reduce costs.

Provide Medicare beneficiaries with cost-sharing relief for certain primary care activities and services.

This provision allows CMS to waive co-insurance for Medicare beneficiaries who affirm a primary care provider who is their usual source of care. This encourages beneficiaries to make use of high-quality primary care and incentivizes primary care providers to adopt hybrid payments.

Create a new technical advisory committee to help CMS more accurately determine Fee Schedule rates.

This provision creates a new advisory committee within CMS to advise the Agency on new methods to more accurately determine those rates and correcting existing distortions which lead to under-reimbursement for high-value activities and services. This committee would serve as an additional tool for CMS, and is not intended to supplant the existing methodology. The provision also calls for the inclusion of primary care and family medicine providers as members on the advisory committee to incorporate the perspective of those stakeholders. Finally, the provision ensures that the new advisory committee develop new methods that help address health disparities, quality of care, and Medicare beneficiary access to services.