



March 25, 2021

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

Re: Provider Relief Funding for Physician Practices

Dear Majority Leader Schumer:

As the Congress continues its efforts to provide relief for providers and other healthcare entities in response to the COVID-19 public health emergency, America's Physician Groups (APG) asks that the agency prioritize the allocation of dollars from the Provider Relief Fund (PRF) toward assisting physicians that are facing particularly tough financial hardships as they work to serve patients during this crisis and were not the focus of the previous distributions of dollars that were mostly directed toward hospitals. It is imperative that additional funding uses a more targeted approach to ensure that those providers that are most affected by the ongoing pandemic receive the funds needed to continue their efforts in serving their patient populations and assisting them with the resulting financial challenges that have affected areas of care pertaining to:

- 1) Volume
- 2) Impact on Value-Based Programs
- 3) COVID-19 Personal Protective Equipment (PPE) and Vaccine Distribution
- 4) Changing Practice Composition

About America's Physician Groups

APG is a national professional association representing over 340 physician groups that employ or contract with approximately 195,000 physicians that provide care for nearly 45 million patients. Our tagline, "Taking Responsibility for America's Health," represents our members' vision to move away from the antiquated fee-for-service (FFS) reimbursement system where clinicians are paid "per click" for each service rendered rather than on the outcomes of the care provided. Our preferred model of capitated, risk based, and coordinated care avoids incentives for the high utilization associated with FFS reimbursement. APG member organizations are also working diligently to rise to the challenge presented by the COVID-19 pandemic.

Summary of APG's Recommendations

- **Additional PRF Prioritized for Physicians**
- **Forgiveness of Accelerated and Advanced Payments**
- **Continued Delay of Sequestration**

Comments

Physicians that practice outside of hospital systems have spent thousands of dollars making investments in infrastructure such as licensing costs for telehealth services and telework setup, waiving co-pays as well as providing COVID-19 testing and vaccination leading to increases in clinical overhead. Despite these investments, funding allotments from the PRF have excluded these providers in favor of other care settings. **Congress should prioritize future expansions and additional funding for the PRF toward extending relief for these overlooked physician practices and their associated entities, the monies they have already invested in combating the pandemic and serving patients nationwide, and the widespread negative effect that the pandemic has had on their practices.** Calculation of payments for non-hospital-based physicians could include payments that are proportional to previous Medicare Part B payments that providers have received, or a simple additional lump sum granted to qualifying physicians.

Additional PRF Prioritized for Physicians:

Volumes

As physicians have worked diligently to responsibly offer care to patients that adheres to social distancing restrictions and offer protection while maintaining accessibility for those that need to be seen, the resulting effect on visit volume for practices has been extensive. The total number of visits for all specialties have declined as much as seven percent when compared to usual baseline numbers from the beginning of COVID-19 quarantining in March 2020 to January 2021. Specialty care such as pediatrics, physical therapy, chiropractic, and surgical specialists have been especially impacted. Within Medicare, analysis of some APG member organizations have shown that chronic Medicare patient visits in both fee-for-service and Medicare Advantage are down 17 percent compared to usual baseline numbers. The use of ancillary services such as laboratory and imaging services, routine immunization, and in-office procedures have also decreased during the pandemic as a byproduct of the reduction in in-person visits.

Impact on Value-based Programs

Value-based programs are also in dire need of increased supplies and staffing as providers and facilities in these zones are being utilized at or near capacity, in addition to assisting with dealing with the financial fallout from the COVID-19 pandemic. As a result of the pandemic, value-based programs have experienced decreases of approximately five percent in each category of attribution, quality,

and risk adjustment due to changes in visit volume that will impact shared savings opportunities.

COVID-19 PPE and Vaccine Distribution

An extension of relief funds toward physicians and non-hospital-based practices would also assist in compensating for the additional costs in COVID testing and vaccinations (equipment, tents, PPE supplies and staffing) as well as reduced ancillaries due to in-person visit reductions. Practices also experienced significantly increased staff requirements to manage gaps in care for patients hesitant to come to the office for services such as cancer screening, immunizations, and chronic disease follow-up.

Advanced and Accelerated Payments:

APG has strongly supported the increased support and flexibility for the Medicare Accelerated and Advance Payment Programs to provide financial relief to physicians during the current public health emergency, especially as it pertains to delaying the recoupment period for non-hospital providers for 210 days. As practices weathered continued increases in COVID-19 patients and restructured themselves amid reduced payments and services, providing immediate support with a delay of financial liability has assisted greatly in relieving the immense pressure many organizations are already experiencing. With that in mind, the financial pressures of the COVID-19 pandemic have yet to be fully alleviated, as discussed above. As providers work to continue to dig themselves out of the binds created by responding to COVID-19, **we ask that Congress avoid adding onto existing financial pressures and consider authorizing forgiveness for the loans provided by the accelerated and advance payment programs.** This would play an integral role in providing physicians with financial assistance amidst the current pandemic considering the extent of the changes that have been made to infrastructure, and the disruption to service that has occurred during this pandemic. Moving to recognize the hardships that healthcare providers are currently experiencing will serve to ensure they are able to maintain a strong and effective public health response while also alleviating financial concerns that will reverberate over the long-term.

Sequestration Delay:

As part of H.R. 133, the federal funding and COVID-19 relief package passed in December 2020, a three-month extension of the Medicare sequester moratorium was put into effect to help providers. This moratorium was an integral part of the overall effort to address provider issues during the COVID-19 pandemic, but unfortunately, an extension of this delay was not included in the COVID-19 relief bill passed this month. **We ask that Congress extend the Medicare sequester moratorium until the end of the current public health emergency while providers work to regain their financial footing.** The potential cuts from sequestration in addition to the existing financial difficulties from the ongoing pandemic will result in healthcare providers experiencing cuts to revenue that may be too high for many to overcome. Delaying sequestration will work in tandem with other relief to help physicians with continuing to best serve their patients.

Thank you for your attention to the above comments. We again express appreciation for your efforts in supporting providers during this public health emergency. We look forward to continuing to correspond with you throughout this pandemic. Please feel free to contact Valinda Rutledge, Executive Vice President, Federal Affairs, (vrutledge@apg.org) if you have any questions or if APG can provide any assistance as you consider these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald H. Crane". The signature is written in a cursive style with a large initial "D".

Donald H. Crane
President and CEO
America's Physician Groups