

July 30, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader McConnell, Minority Leader Schumer:

We are writing to urge Congress to support health care providers through relief funds that reinforce their efforts to help contain the pandemic and that build on many notable reforms in care that providers have been driven to undertake, often with very little financial support. The COVID-19 pandemic is an unprecedented public health emergency, in which our public health system has needed unprecedented support from the health care system in treating the surges in severe cases, and also such areas as testing, contact tracing, and managing patients from home to limit the surges. It has also required providers to undertake reforms in care, such as new home- and community-based care models for chronic disease risk factor management as well as for serious conditions like cancer and kidney disease, and also to address challenges like lack of transportation and social isolation. Many of these reforms show promise in improving access to care that is more convenient and lower cost. The COVID-19 Health Care Relief, Response, and Resiliency (RRR) Program aims to expand successful approaches to improve care and prevent the gaps and disparities that have emerged during the pandemic, and to help providers continue effective approaches.

The pandemic has brought into sharp relief the mismatch between what patients need and how health care providers are paid. Providers reimbursed using fee-for-service (FFS) have seen major reductions in revenues. Hospitals and other health care providers have received important relief to help them treat severe COVID-19 cases. But the loss in revenues for visits, procedures, and other “elective” services has complicated their ability to fully respond to the pandemic. In addition, FFS providers have had to rely on rule and payment changes to move forward with such innovations, such as Medicare’s emergency payment expansions for telehealth and additional sites of service. Whether and how broadly these emergency rules will continue is unclear. Physician practices, hospitals, and other health care organizations are left with trying to go back to “business as usual” to restore their finances – even though business as usual won’t preserve many desirable reforms in practice or prepare the country better for further waves or the next pandemic.

[Conversely, providers and health systems who participate in value-based payment \(VBP\)](#) have been more financially stable, particularly those in advanced alternative payment models who receive upfront, ongoing payments not tied to FFS. Practices receiving these payments have used them to build a wide

range of capabilities that are not well supported under FFS but are especially important during the pandemic. This includes staff to help coordinate care for complex patients, patient engagement tools

including apps and 24/7 help lines, tools for robust data analysis to identify risks in terms of COVID-19 exposure or missed needed care, infrastructures to support telehealth and digital monitoring, and

expanded use of home- and community-based care. VBP providers have been able to leverage these capabilities quickly to implement an effective pandemic response. What's needed is similar financial relief for health care providers to help them adapt to the continuing threat of the virus and to rebuild care that keeps the best ideas for improving care in the pandemic.

We strongly urge the use of any additional relief funding to embed COVID-19 resilience into the U.S. health care system, by linking some of the new relief funding to provider efforts to assist with the public health response and to move into value-based payment (VBP) models. Primary care (particularly independent practices), mental health, and providers caring for vulnerable and hard-hit populations should be prioritized. These shifts will support the redesigned care that's needed during and after the pandemic.

Under the **COVID-19 Health Care Relief, Response, and Resiliency (RRR) Program**, Congress would provide relief to providers based on their COVID-19 burden, as well as some additional financial relief. We propose that Congress allocate \$50 billion of the total relief payments to support COVID-19 response and resilience through two additional types of payments:

- *COVID-19 response payments*: \$15 billion would be available to providers who take needed steps in 2020 and 2021 to implement changes in response to the pandemic, including: (1) rapid electronic data sharing; (2) participation in COVID-19 response initiatives with state and local public health; and (3) commitment to participate in a new resilience program that helps them shift away from FFS payment.
- *COVID-19 resilience payments*: \$35 billion would be available to assist providers in shifting more of their revenues into alternative payment models that support redesigned care and reduce dependence on FFS volume. By the end of 2023, participating practices receiving resilience payments must increase the share of payments they receive across all payers through advanced alternative payment models above a minimum threshold for significant practice redesign. We propose a 20-percentage point shift (e.g. from 10% to 30%). Providers should receive larger payments for larger increases. The advanced models should build on those already being implemented by the Centers for Medicare and Medicaid Services (CMS), states, and private payers, including advanced accountable care organizations, direct contracting, rural health models, and promising models for specialized care.

The goals of the RRR Program are aligned with the intent of further relief for providers being considered as part of the upcoming stimulus legislation. This program will help providers reduce the burden of the pandemic now, while also giving them support for sustaining changes in care that are needed for the future, both to improve patient access and reduce costs, and to facilitate health care that is better prepared for the next pandemic.



MARGOLIS CENTER
for Health Policy



We appreciate your bipartisan attention to COVID-19 recovery and resilience in these difficult times. We are ready to help and to assist with additional expertise and clinical experience to refine and implement these proposed timely reforms for more effective health care.

Sincerely,

Tom Daschle – *Former United States Senate Majority Leader; Founder & CEO, The Daschle Group*

Bill Frist, MD – *Former United States Senate Majority Leader; Executive Board Chairman, Cressey & Company*

Mark McClellan, MD PhD – *Former CMS Administrator and FDA Commissioner; Director, Duke-Margolis Center for Health*

Andy Slavitt – *Former Acting CMS Administrator; Founder/ Board Chair United States of Care*

Don Berwick, MD – *Former CMS Administrator; President Emeritus and Senior Fellow, Institute for Healthcare Improvement*

Tom Scully – *Former CMS Administrator; General Partner, Welsh, Carson, Anderson & Stowe*

Bruce Vladeck – *Former HCFA Administrator, Senior Advisor, Nexera*

Gail Wilensky, PhD – *Former HCFA Administrator; Senior Fellow, Project HOPE*

Scott Gottlieb, MD – *Former FDA Commissioner; Resident Fellow, American Enterprise Institute*

Farzad Mostashari – *Former National Coordinator for Health IT; Co-Founder and CEO, Aledade*

Cc: Honorable Members of the United States House of Representatives
Honorable Members of the United States Senate