

July 30, 2020

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

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

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

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

Dear Speaker Pelosi and Leaders McConnell, McCarthy, and Schumer:

As Congress works to finalize the next COVID-19 relief and stimulus legislation, **we urge you to ensure the sustainability of our health care system by coupling investments in immediate provider relief with long-term support for providers in reorienting our care delivery system in response to the COVID-19 crisis.**

The pandemic sent shockwaves throughout our health care system, forcing health care providers to rearrange staffing, modify facilities, rely heavily on telehealth and community-based care, and reimagine the best way to support patients – all while facing significant and persistent revenue shortfalls. Physician practices have seen declines of up to 50% in service volume and hospitals are projected to lose at least \$323 billion in 2020.

This is a problem largely created by a health care system that is propped up by a fee-for-service (FFS) payment model which specifically rewards volume over value when it comes to patient care. In the midst of this national crisis, provider organizations are finding that FFS offers no backstop when utilization drops, forcing many practices to close their doors and preventing families from being able to access critical health care services.

These system failures also expose an important opportunity: While not immune to all pandemic complications, providers and systems who participate in value-based payment arrangements such as alternative payment models (APMs), have been more financially stable, more adaptable, and more responsive to evolving patient needs. They were better positioned to adapt to dramatic changes in patient volume, and quickly responded with innovative care coordination, patient engagement tools such as phone apps and 24/7 help lines, robust data analysis, and infrastructure supporting telehealth, remote monitoring, and home and community-based care.

**In short, APM providers have been able to quickly implement an effective pandemic response, while FFS providers have had to rely on outdated rules and dramatic payment changes in order to move forward with obvious and necessary reforms.**

The health, safety, and economy of our country is dependent on a viable health system throughout this crisis and beyond. We must ensure health care providers have sufficient resources and flexibility to meet evolving patient needs through the remainder of the health emergency and long into the future.

We urge Congress to include the following recommendations in the next COVID-19 relief and stimulus legislation:

- **Enact a COVID-19 Health Care Relief, Response, and Resiliency (RRR) Payment Program**, making further investments in immediate provider relief, while allocating an additional \$50 billion in funding to support providers with COVID-19 response and resilience as follows:
  - **Relief:** Provide immediate COVID-19 relief payments to address patient care and financial shortfalls in the model of the previously established Paycheck Protection Program and Provider Relief Fund. Providers receiving these funds would be encouraged, but not required to invest in telehealth, data sharing tools, and other innovations.
  - **Response:** Provide \$15 billion to providers who take needed steps in 2020 and 2021 to make structural changes in response to the pandemic, including: (1) rapid electronic data sharing; (2) meaningful collaboration with public health initiatives; and (3) commitment to participate in a new resilience program that supports providers outside FFS payment constraints.
  - **Resilience:** Enact key policy changes that allow for meaningful provider participation in APMs, including from rural hospitals, specialists, and community health centers. Invest \$35 billion in participating providers to support redesigned care and reduce dependence on FFS volume by the end of 2021. By the end of 2023, participating providers must increase their share of payments from all payers through advanced APMs.
- **Expand Telehealth Coverage** to include audio-visual, audio-only services, and remote monitoring, with appropriate payment rates and flexibility to make adjustments as needed. Expanded Medicare telehealth payments for covered services delivered at home should continue, with broader expansions for providers participating in advanced APMs.
- **Expand Site-Neutral Payments** for services delivered in home or community-based settings as alternatives to facility-based settings, including drug infusion, advanced rehabilitation services, and intensive “hospital at home” services. Payments should be on par with in-person ambulatory or outpatient services, with special attention to ensuring access to care in underserved urban and rural communities.
- **Enhance Data and Transparency on Quality and Cost of Care** by establishing a national nongovernmental, nonprofit transparency organization to provide necessary data to support assessments of care quality, cost, and disparities across providers. This could be accomplished by enacting Section 303 of S.1895, the Lower Health Care Cost Act, which was passed with strong bipartisan support by the Senate Health, Education, Labor and Pension Committee (HELP) in 2019.

Taken together, these recommendations would provide a secure, methodical pathway forward for primary care providers, specialists, and hospitals who must adapt to provide care for the remainder of the COVID-19 pandemic and in a post-COVID-19 world. We urge you to include these recommendations in your upcoming COVID-19 package, and we stand ready to support you in any way.

Sincerely,

Duke Margolis Center for Health Policy  
Families USA  
United States of Care

## **Supporting Organizations**

American Academy of Family Physicians

Consumer Action

Network for Regional Healthcare Improvement

Healthcare Leadership Council

Pacific Business Group on Health

Partnership to Empower Physician-Led Care